

Purchasing Week

McGraw-Hill's National Newspaper of Purchasing

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New York, N. Y., April 6, 1959

\$6 A YEAR U. S. AND CANADA \$25 A YEAR FOREIGN

P.W. Survey Shows Inventories Up, Still Rising

Price Experts Sure Product Tags Going Up

Washington—Industry will be paying higher prices for countless products in the months ahead as markets strengthen and tags, costs increase.

That's an unblinking certainty in the view of Washington's top price experts, who gave a run-down to PURCHASING WEEK last week on the price outlook on specific industrial items the rest of the year.

Increases will strike generally across the board in broad industrial product groups, those in the so-called wholesale price indexes reflecting business buying. The consumer price index, the popular measure of inflation, will continue relatively stable overall—and won't reflect the big impact of increased wholesale prices until next year, according to the experts.

Administration economists feel
(Continued on page 27)

1958 P.W. Index— Yours for the Asking

To help you get the most from Purchasing Week, we have prepared an editorial index of our 1958 contents. There are more than 150 subject headings covering more than 650 articles. This 31-page comprehensive index (from "Adhesives" to "Zinc") is yours for the asking. Just write to editor, Purchasing Week, 330 W. 42nd St., New York 36, N. Y.



MANY INDUSTRIES ARE SERVED by busy Railway Express terminals such as this. What would fill the gap if service were abandoned?

Railway Express Agency Awaiting 'Life or Death' Verdict of Railroads

New York—The nation's railroads, which jointly own the Railway Express Agency, have less than a month to decide the fate of their controversial deficit operation.

Opinion appears fairly well divided on a "life or death" verdict. Many traffic men insist that loss of the service would definitely be against public interest. Others feel the rails have no other "economic" choice but abandon it.

Recent reports in circulation forecast that the agency would be sold to a large freight forwarder or to the Post Office Department. The forwarder cited refused to comment. Washington sources said it was "extremely doubtful" the government would purchase. Railway Express was, in effect,
(Continued on page 26)

Beryllium Forging Method Developed; Other New Twists

New York—A major obstacle preventing greater use of beryllium metal for structural applications has been removed. New techniques developed by Wyman-Gordon Co. permit forging.

Beryllium's properties make it an attractive metal—principally for the missile and aircraft industry. Properties include: lightweight, stiffness greater than steel, high heat resistance, and good strength-to-weight ratio. But its brittleness has kept it from being shaped by most conventional metalworking techniques.

Wyman-Gordon has a closed—
(Continued on page 28)

Better Business, Rising Production, Rivaling Hedge-Buying in Planning of Inventories for Second Quarter; Third Quarter Buying May Fall

New York—Buying to meet just plain "better business and rising production needs" strongly rivals hedge-buying in second quarter inventory planning.

Strike and price protection buying in steel, copper, and other labor-sensitive industries continues as a major inventory factor and economic stimulus. In fact, two out of three P.A.'s queried by PURCHASING WEEK during the past two weeks in a broad cross-section of U. S. industry said they were engaging in one form or another of it.

But at the same time, most purchasing executives asserted:

- Keeping inventories on a steady course and geared to generally improving business conditions was one of their main concerns.

Purchasing Week Survey • In addition to the hedge factor, lengthening lead times due to a general production step-up at supplier plants also was strongly influencing current inventory decisions.

• Purchasing requirements probably will drop off in the third quarter, strikes-or-no strikes, but how much depends on the continuing strength of the general economic advance.

Concern over ability to maintain increasing production requirements dominated responses to the P.W. inventory survey.

Among the 600 purchasing executives queried was the P.A. of a West Coast office furniture manufacturer which "beat the rush" for steel and laid in two months' supply. Now he's in the market for more because "if business gets any better we'll use up all the extra steel before the strike deadline."

Not all the P.A.'s responding indicated they had such a happy "worry," but they indicated inventories are up and still climbing—even apart from the artificial stimulus of June 30 labor contract deadlines.

• What about purchasing plans for the next three months? A total of 41% said they planned to increase their buying pace, crediting a
(Continued on page 28)

Forced to Guess on Steel Hikes, Buyers Range From \$3 to \$10

Pittsburgh—Many steel buyers are being forced to make "educated" guesses as to what the price of steel will be four or five months from now.

Steel fabricators, contractors, and others bidding on future construction are relying to a great extent on escalator clauses to cover the uncertainty. But where such sliding scales are not acceptable, many are putting in flat markups mostly ranging from \$5 to \$7 a ton.

Some buyers, such as Edward
(Continued on page 27)

Electronic Goods Prices Will Rise

New York—Purchasing agents around the country are expecting a boost in prices as well as in purchases of electronic equipment and components this year. Those are two highlights from a spot survey of buyers just completed by P.W. correspondents throughout the country.

On the price front, the P.A.'s queried were in almost unanimous agreement as to expectations of across-the-board boosts later this year. Most respondents look for average tags of elec—
(Continued on page 3)

Inflation vs. Growth

Can we have growth without inflation? It's a question every forward looking P.A. is asking. It touches directly on your own buying and inventory plans. You'll find the answers in next week's exclusive P.W. roundtable. Top economists will give you the facts, interpret what they mean to you.

Soft Coal Tags Drop; Oil Competition Cited

New York—The coal industry experienced a notable departure from the usual wage boost-price increase movement last week.

Soft coal miners collected the remainder of their \$2 pay increase last week, but Eastern bituminous prices went the other way. Prices also appeared ready to drop slightly in the South and Midwest.

Price cuts to Eastern utilities resulted mainly from growing competition from residual oil imports and a railroad rate reduction
(Continued on page 28)

This Week's

Purchasing Perspective

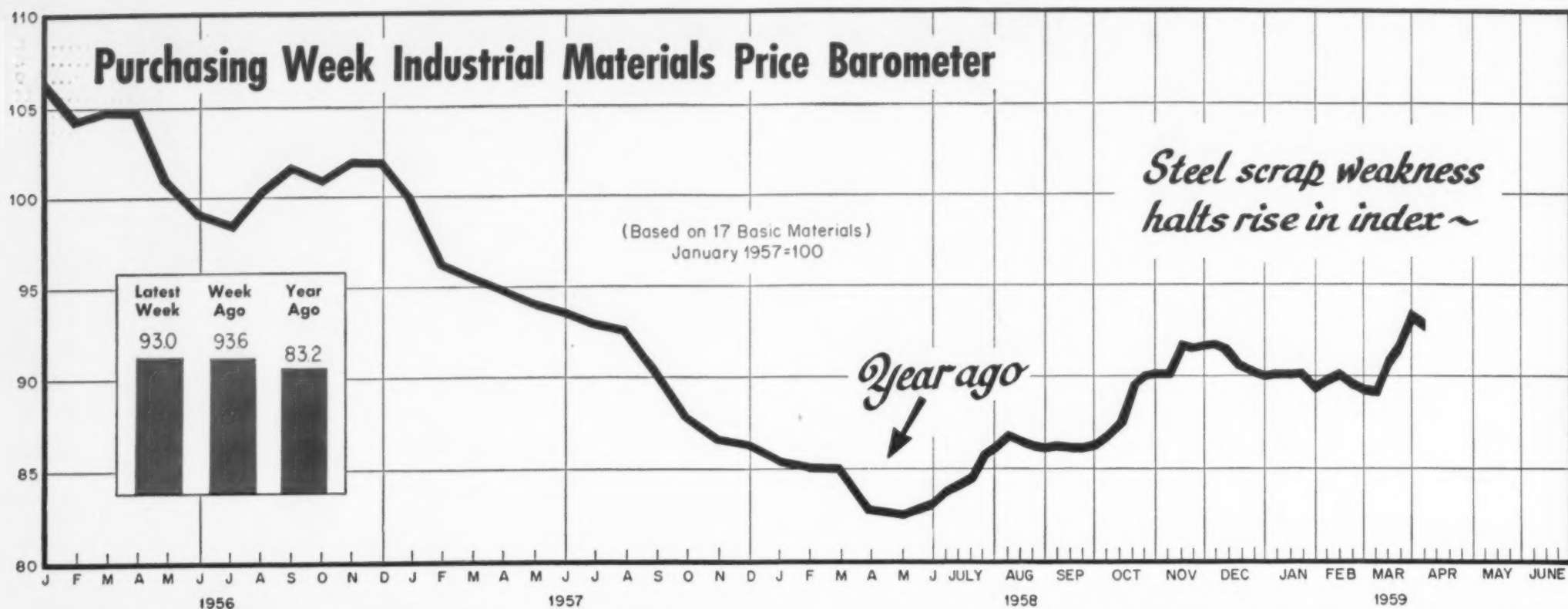
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Industrial purchasers reporting on effects of the current inventory push mentioned no serious product shortages. But lead time is lengthening on many items as suppliers are caught up in the production surge. In fact, adjusting to vendors' extending lead time was one of the principal inventory factors listed by P. A.'s in PURCHASING WEEK's April inventory survey (see above). Many P.A.'s expect more products to join the short supply list as mid-summer contract deadlines near in steel, copper, and aluminum.

Purchasing now must juggle an often perplexing combination of inventory adjustments. They include regulating an inventory buildup to match sales' rosier predictions, buying to meet regular seasonal increases, ordering to meet heavier current demand, and stockpiling for strike coverage.

Threat of competition and loss of markets pressured the soft coal industry into some price reductions last week. The mark-downs were made reluctantly in the face of simultaneous wage boosts. But the only reason they were possible at all is the fact that the industry made some notable technological advances in mining efficiency in recent years.

The situation prompted one purchasing observer to comment: Why bother with endless frequently windy economic theory?
(Continued on page 27)



This index was designed by the McGraw-Hill Department of Economics to serve as an overall sensitive barometer of movements in industrial raw

material prices. The index is not intended to give price movements of specific commodities. The items used are important only in that, together, they re-

fect the current general market trend in sensitive industrials. Weekly prices for most of the items covered are published in "Commodity Prices" below.

This Week's

Price Perspective

APRIL 6-12

How heavy do price considerations bulk in a purchasing decision?

It's a question that has been bouncing around for years—some P.A.'s rating it above quality and vendor performance, others scoring it second or even third.

We bring it up again—only because there seems to be increasing evidence of "price consciousness."

It's certainly true as far as consumers are concerned—the guy with the lowest price these days almost invariably gets the sale.

True, there's less evidence of this in industrial buying. But the psychology of "price awareness" is always contagious. And chances are that a good portion of it is overlapping into the industrial buying area.

• • •

Why this growing emphasis on price?

Probably a good bit of it stems from the recent recession. It was a time when money counted—when a penny saved was truly a penny earned.

And thrift habits once gained are luckily hard to shake.

Increased seller emphasis on price may also have something to do with the changing attitude. With competition becoming keener and keener, more suppliers are beginning to rely on the "price pitch."

Selling on the basis of price certainly plays a big role in imports. One principal appeal of imported merchandise—whether it be steel bars or automobiles—is the price argument: "Import and get it cheaper."

• • •

Paradoxically enough, the very nature of our opulent society may also be contributing to this growing emphasis on price.

For quality and reliability (the other two major buying factors) tend to become somewhat less important in such an economic climate.

Certainly more-than-ample capacity gives some P.A.'s less incentive always to place their orders with the most dependable supplier.

There's a growing feeling in some circles that if the vendor disappoints, there is always another one just around the corner—eager and waiting to take the first supplier's place.

This very same economic climate also makes the factor of quality a bit less urgent in buying—not because quality is less important but because quality is usually always available.

Automation and quality control have tended to make for generally better products—with less risk of poor quality.

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All these new "price emphasizing" factors are certainly operative in the consumer field. Purchases of big ticket items, like automobiles for example, are increasingly being made on a price basis.

Mr. Consumer has his pick of cars—all of generally high operating quality. Having been burned by the recent recession, he is less anxious to shell out hard-earned money on frills and non-functional extras. Rising gasoline taxes have given the "economy" argument even greater strength.

The evidence can not be refuted:

• **Domestic sales reports**—Lower priced models are taking a larger market share. And small 6's like the Rambler are running far ahead of the pack.

• **Imports**—The foreign share of the U. S. market soared to 8.2% in '58—compared to '57's 3.3%. This year's proportion may be even bigger.

• **Surveys**—A recent National Auto Dealers Association report showed 2/3 of those queried listed initial cost as a key influence. Some 95% noted gasoline economy as a primary consideration.

This Week's Commodity Prices

	Apr. 1	Mar. 25	Year Ago	% Yrly Change
METALS				
Pig iron, Bessemer, Pitts., gross ton	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton	80.00	80.00	77.50	+ 3.2
Steel, structural shapes, Pitts., cwt	5.50	5.50	5.285	+ 4.3
Steel, structural shapes, Los Angeles, cwt	6.20	6.20	5.975	+ 3.8
Steel, bars, del., Phila., cwt	5.975	5.975	5.725	+ 4.4
Steel, bars, Pitts., cwt	5.675	5.675	5.430	+ 4.6
Steel, plates, Chicago, cwt	5.30	5.30	5.10	+ 3.6
Steel scrap, #1 heavy, del. Pitts., gross ton	37.00	39.00	34.50	+ 7.2
Steel scrap, #1 heavy, del. Cleve., gross ton	39.00	40.50	31.50	+23.8
Steel scrap, #1 heavy, del. Chicago, gross ton	38.00	38.00	30.50	+24.6
Aluminum, pig, lb	.247	.247	.24	+ 2.9
Secondary aluminum, #380 lb	.218	.218	.208	+ 4.8
Copper, electrolytic, wire bars, refinery, lb	.314	.312	.245	+28.2
Copper scrap, #2, smelters price, lb	.28	.273	.183	+53.0
Lead, common, N.Y., lb	.11	.11	.12	- 8.3
Nickel, electrolytic, producers, lb	.74	.74	.74	0
Nickel, electrolytic, dealers, lb	.74	.74	.74	0
Tin, Straits, N.Y., lb	1.026	1.023	.924	+11.0
Zinc, Prime West, East St. Louis, lb	.11	.11	.10	+10.0
FUELS				
Fuel oil #6 or Bunker C, Gulf, bbl	2.00	2.00	2.25	-11.1
Fuel oil #6 or Bunker C, N.Y. barge, bbl	2.37	2.37	2.65	-10.6
Heavy fuel, PS 400, Los Angeles, rack, bbl	2.15	2.15	2.70	-20.4
LP-Gas, Propane, Okla. tank cars, gal	.045	.045	.04	+12.5
Gasoline, 91 oct. reg. Chicago, tank car, gal	.12	.12	.118	+ 1.7
Gasoline, 84 oct. reg. Los Angeles, rack, gal	.122	.122	.114	+ 7.0
Coal, bituminous, slack, ton	5.75	5.75	6.05	- 5.0
Coke, Connellsville, furnace, ton	15.00	15.00	15.25	- 1.6
CHEMICALS				
Ammonia, anhydros, refrigeration, tanks, ton	90.50	90.50	90.50	0
Benzene, petroleum, tanks, Houston, gal	.31	.31	.36	-13.9
Caustic soda, 76% solid, drums, carlots, cwt	4.80	4.80	4.30	+11.6
Cocunut, oil, inedible, crude, tanks, N.Y. lb	.208	.208	.149	+39.6
Glycerine, synthetic, tanks, lb	.278	.278	.278	0
Linseed oil, raw, in drums, carlots, lb	.163	.163	.179	- 8.9
Phthalic anhydride, tanks, lb	.165	.165	.205	-19.5
Polyethylene resin, high pressure molding, carlots, lb	.35	.35	.325	+ 7.7
Rosin, W.G. grade, carlots, f.o.b. N.Y. cwt	9.85	9.85	9.70	+ 1.5
Shellac, T.N., N.Y. lb	.30	.30	.33	- 9.1
Soda ash, 58%, light, carlots, cwt	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	23.50	0
Sulfuric acid, 66% commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb	.075	.076	.084	-10.7
Titanium dioxide, anatase, reg. carlots, lb	.255	.255	.255	0
PAPER				
Book paper, A grade, Eng finish, Untrimmed, carlots, CWT	17.00	17.00	17.00	0
Bond paper, #1 sulfite, water marked 20 lb, carton lots, CWT	24.20	24.20	24.20	0
Chipboard, del. N.Y., carlots, ton	95.00	95.00	100.00	- 5.0
Wrapping paper, std, Kraft, basis wt. 50 lb rolls	9.00	9.00	9.50	- 5.3
Gummed sealing tape, #2, 60 lb basis, 600 ft bundle	6.40	6.40	6.40	0
Old corrugated boxes, dealers, Chicago, ton	21.00	23.00	17.00	+23.5
BUILDING MATERIALS				
Brick, del. N.Y., 1000	41.25	41.25	41.25	0
Cement, Portland, bulk, del. N.Y., bbl	4.23	4.29	4.42	- 3.9
Glass, window, single B, 40" bracket, box, fob N.Y.	7.90	7.90	7.09	+11.4
Southern pine lumber, 2x4, s4s, trucklots, fob N.Y.	126.00	127.00	112.00	+12.5
Douglas fir lumber, 2x4, s4s, carlots, fob Chicago	137.00	137.00	113.00	+21.2
TEXTILES				
Burlap, 10 oz, 40", 100 yd	10.05	10.15	10.20	- 1.5
Cotton, middling, 1", N.Y., lb	.359	.358	.361	- .6
Printcloth, 39", 80x80, N.Y., spot, yd	.186	.186	.173	+ 7.5
Rayon, satin acetate, N.Y., yd	.27	.27	.27	0
Wool tops, N.Y. lb	1.46	1.43	1.50	- 2.7
HIDES AND RUBBER				
Hides, cow, light native, packers, Chicago, lb.	.27	.27	.15	+80.0
Rubber, #1 std ribbed smoked sheets, N. Y., lb	.325	.322	.268	+21.3

Electronic Goods Prices Will Rise, Sales Up

(Continued from page 1)
tronic equipment and components to rise some 3 to 5% by the end of 1959.

This boost would seem to be the continuation of a trend that has been in effect for some time. Over two-thirds of those answering the survey indicated that prices have been on the rise since 1957, with average quotes now up to 15% above a year ago.

Most P.A.'s also seemed to be in agreement on the reason for the price boosts, which, as one West Coast buyer said, "seem to go up every time we get a new invoice." Upped costs of copper, coal, and semi-precious metals were mentioned frequently as being behind the price rises.

Metals Price Increases

Further metal price increases especially for steel, were given as the cause for expected price rises later this year. Joseph R. Hoffman, director of purchases for the Warwick Mfg. Co. seemed to sum it up for a number of purchasing executives. "Items using steel, of course, will probably go up if there is a strike." And two copper price boosts so far this year plus the possibility of another hike in June are continuing to bolster up products using copper, he stated.

The continuing increase in purchasing activity anticipated by P.A.'s this year foretells another record year for the electronics industry. Over 70% of the respondents anticipate their buying of electronic equipment and component parts will be above last year. Most put the boost at from 10 to 20%.

Total factory sales for the electronics industry in 1958 passed \$7.9 billion (see chart above right). That was just a little over 1% above the 1957 total, but managed to move this rapidly expanding industry into fifth place among all the manufacturing groups in the United States.

Military Demand Largest

As the chart above indicates, military demand continued to take the largest share of this total—some \$4.1 billion. But industrial sales, which have risen by 112% since 1954, are expanding rapidly and now account for some 18% of total shipments.

With an upsurge in both military and commercial needs anticipated for 1959, total industry sales are likely to pass \$8.5 billion.

The sales record for electronics used in industry established last year represented a boost of over 6% above 1957. And it's just this area where electronics sales will grow the greatest in the years to come. This stems primarily from industry's current drive to lower labor costs due to keener competition.

The biggest area under industrial electronic equipment (computers and processing systems) continues to expand in business application. Despite the recession, sales of this type of equipment jumped by more than 9% over 1957 last year.

The most phenomenal growth area in electronics however, continues to be transistors. Factory sales of these semiconductors rose close to 64% over 1957 last year. The yearly 1958 sales total of some \$113 million represented a

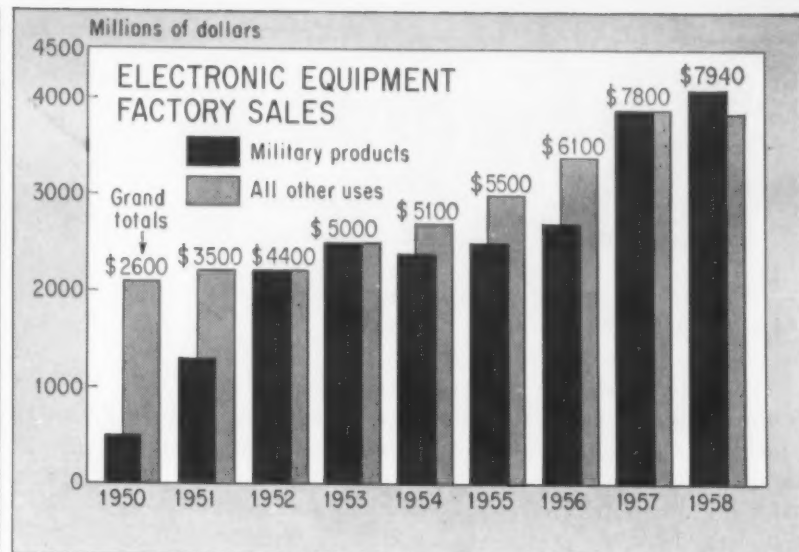
36-fold increase in unit volume in the last five years.

Transistors have replaced certain vacuum and electron tubes for purposes of amplification, signal generation, and rapid switching operations. Transistorization also has enabled manufacturers to reduce the size of computing and processing equipment by up to 50% in certain cases.

P.A.'s in the market for the more expensive electronic systems should consider the possibility of leasing. This is especially true if your firm is short of cash

or intends to use its liquid assets for expansion or inventory accumulation purposes.

Many office and production computers and data processing systems are available for lease from major manufacturers. I.B.M.'s "Ramac" 305 computer for example, a medium-sized data processing system used by many firms for automatic inventory control, is one of the more popular systems available for rental. This machine, which sells for \$189,950 plus tax, can be leased for \$3,200 monthly.



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Washington Perspective

APRIL 6-12

Purchasing agents should keep a sharp eye on government import policy the next few months.

There are two reasons for it.

First, Washington observers are intrigued with the idea that one weapon President Eisenhower could use in fighting rising prices would be more aggressive manipulation of import controls.

Take the example of the oil industry. The President agreed to limit oil imports this year under pressure from domestic producers. But he threw a hooker into the agreement.

This was that he would hike import quotas if the oil industry raised prices as a result of smaller supplies. This would bring in more oil and presumably drive down prices.

This is an approach that could be used in many industries—such as the textile industry which is now pressuring the Administration to refuse Japan's request to increase textile exports to the U. S.

U. S. mill owners injected the price issue into the picture when they met with government officials last week on the question of quotas.

The textile operators contended that any increase in quotas—presently set at 235 million sq. yd.—would have immediate effect on the sensitive domestic market—weakening prices and disrupting buying plans.

What the industry is arguing for in effect is price stability. It's the same argument the government asserted in the case of oil.

The approach is one that could be used for any industry generally now that the principle has been adopted in the case of oil.

• • •

This brings us to the second point to watch for on import policy.

That is whether the Administration is knuckling under to domestic pressure for greater protection against foreign competition.

Critics are certain to cite the Japanese textile negotiations as an example where the Administration caved in to strong industry opposition.

The government had indicated to Japanese officials earlier this month that it favored a higher quota on textile imports from Japan, an important ally in the Far East.

But U. S. mill owners met with Administration officials last week and flatly refused to accept any higher quotas. They threatened to go to the Tariff Commission and even Congress.

The upshot was that the Administration buckled and advised Japan to reconsider setting lower quotas in view of the American opposition.

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There are recent signs that protectionists are getting their way more with the Administration. Take the celebrated example of the Administration blocking purchase of hydraulic turbines for an Arkansas damsite from an English firm and giving the order instead to an American company at a 19% higher cost than the English company bid.

Eisenhower has to face his most crucial decision in this field soon. General Electric Co. and the National Association of Electrical Manufacturers are putting on the screws to have an embargo slapped on imports of certain types of heavy electrical equipment.

It's a tough problem for Eisenhower. Both G.E. and the association embolden other protectionists to demand stiffer import restrictions.

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The Administration hopes that events in the next few months will undercut big labor's efforts to have the government do something more about unemployment.

The A.F.L.-C.I.O. is staging its big rally in Washington this week to protest the high amount of unemployment. It'll be meeting at a time when Congress resumes deliberations on the depressed areas aid bill. A.F.L.-C.I.O. efforts will be intensified to get as big a package as possible out of Congress, and to create a climate of opinion making it impossible for Eisenhower to veto the bill again this year.

The Administration is banking on a pickup in employment starting immediately that will take most of the political sting out of the issue by year-end.

The latest employment report—covering March—is due out this week and it's expected to show an improvement. Labor Secretary Mitchell, in fact, is so optimistic that he is predicting flatly that unemployment will get down to three million this year.

Experts Study Business Forecast Techniques

Chicago—How can you forecast future business? And once projections are made just how accurate can you expect them to be? These were two of a host of vital economic forecasting questions answered at the sixth annual Conference on Effective Business Forecasting recently held under the sponsorship of the American Statistical Association and the Chicago Association of Commerce and Industry.

Gerhard Colm, chief economist for the National Planning Association, made the important point that "economists in general have been more successful with long range full employment projections than with predictions of short range turning points in business developments."

Chart Shows One Forecast

The chart at right shows one of these forecasts made for the Joint Economic Committee of the U. S. Congress. Note how our actual growth in Gross National Product has followed the potential forecast by the nation's economists. Only in the past two years has the growth trend fallen significantly below the potential rate. But as indicated in the chart, PURCHASING WEEK economists expect a sharp upturn in G.N.P. this year.

It must be noted of course, that the straight line is a full employment projection. "A businessman who thinks that we may give up any attempt to counteract staginations and recessions through government policies, and that we may have to expect again long periods of depressions, obviously will not have much use for full employment projections as a guide for policymaking," explained Colm. But, "these projections become not only a possibility but also a probability for those businessmen who believe that domestic and international forces will compel the government to adopt measures for counteracting recessions and promoting economic growth," he added.

Colm went on to describe two approaches for making forecasts for use in business management:

- One starts from a projection of long term national aggregates and works down to shorter time periods, specific products, and specific areas.

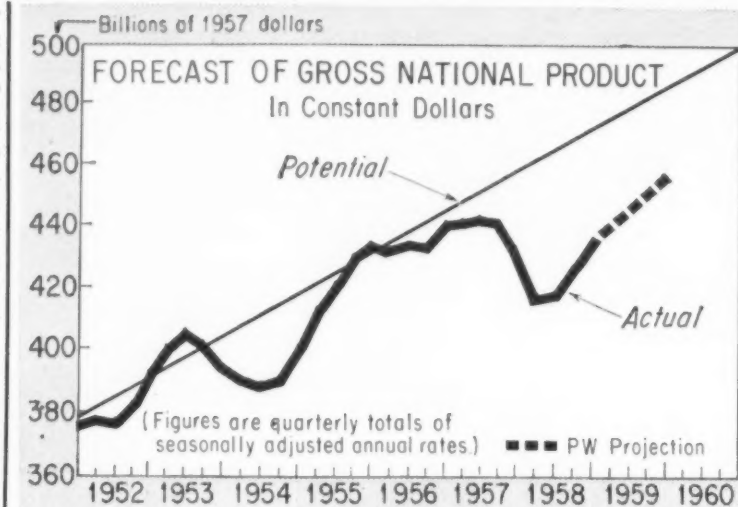
- The other takes indicators of specific markets as a point of departure and works up from them towards longer periods and broader markets.

Depends on Industry

It depends upon the specific industry considered and the information available as to how far the projections can be taken. But "in each case the two approaches must supplement each other," Colm explained.

The National Planning Association's chief economist concluded by warning that economic forecast must be constantly revised, because assumptions made with respect to future policies may have to be modified. Furthermore, the businessman must be fully aware of the degree of existing uncertainty when it comes to economic projections.

Professor Paul W. McCracken of the University of Michigan then addressed the meeting on national economic growth. He stressed the need for growth in



the economy without even a small amount of inflation.

In his first public talk since leaving the President's three-man Council for Economic Advisors, McCracken warned that acceptance of "creeping inflations" as an objective of national economic policy "would put vigorous and orderly economic growth in jeopardy."

Four Way Assault

He recommended a four-way assault on the long-term threat of inflation. Congress, he said, should amend the Employment Act to include "reasonable stability" of the general price level as one objective of policy. At present, the Act cites maximum production, employment, and purchasing power as national economic objectives.

McCracken also said that committees recently named by the President will "strengthen the basis for a more stable price level." This includes the Cabinet Committee on Price Stability for Economic Growth, headed by Vice President Nixon, and the Saulnier Committee, known formally as the Committee on Government Activities Affecting Prices and Costs.

"We must come to grips in a more candid and realistic way with the problem of creeping costs," said McCracken. He indicated rising labor costs rather than corporate profits lay at the root of this problem. "The evidence does not suggest that 'excessive' profits generally have played a very large role in the rise in the price level that began in 1955. We would be less than candid with ourselves if we were to approach this problem on the assumption that pricing practices of business constitute the major

general source . . . of inflation," he added.

While the wholesale prices of industrial materials and depreciation charges have both increased since 1955, McCracken said: "We must recognize the persistent rise in labor costs per unit of output, which are about three-fifths of total costs, and constitute the most important and most troublesome aspect of this cost problem."

Between 1953 and 1957, he noted, wages increased 10% per unit of output, while profits declined 4%. In the 1955-57 interval, wages per unit of output rose 9%, while profits dropped 10%.

During the recent recession, he continued, average hourly earnings increased 4½%—"Even during a year primarily characterized by declining business activity, it was not possible to limit the rise in wage rates to the long-run rise in productivity."

In addition to rising costs, inflationary pressure is exerted by certain public and private "institutional arrangements," McCracken added. Among these he cited farm price supports, recent restrictions on oil imports, and cost-of-living wage escalators.

McCracken said he did not believe government spending played any major role in price level changes during the past three years. Except for the recession "when the problem clearly was not excessive public and private demand for output," the government operated in the black during this period, he noted.

In addition, federal expenditures this year will be smaller relative to the total size of the economy than they were in 1954, when federal spending hit its lowest rate since the Korean War.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
	Apr. 1	Mar. 25	
Steel ingot, thous tons	2,653	2,631*	1,312
Autos, units	119,881	135,466*	93,844
Trucks, units	25,330	25,902*	17,665
Crude runs, thous bbl, daily aver	8,007	8,082	7,038
Distillate fuel oil, thous bbl	13,281	14,507	11,363
Residual fuel oil, thous bbl	6,967	7,239	6,984
Gasoline, thous bbl	28,060	28,592	25,427
Petroleum refineries operating rate, %	83.0	83.7	77.0
Container board, tons	159,465	150,514	139,110
Boxboard, tons	158,880	155,704	134,690
Paper operating rate, %	92.1	93.4*	91.6
Lumber, thous of board ft	249,119	249,425	228,774
Bituminous coal, daily aver thous tons	1,283	1,271	1,266
Electric power, million kilowatt hours	12,709	12,900	11,645
Eng const awards, mil \$ Eng News-Rec	338.3	355.4	598.5

* Revised.

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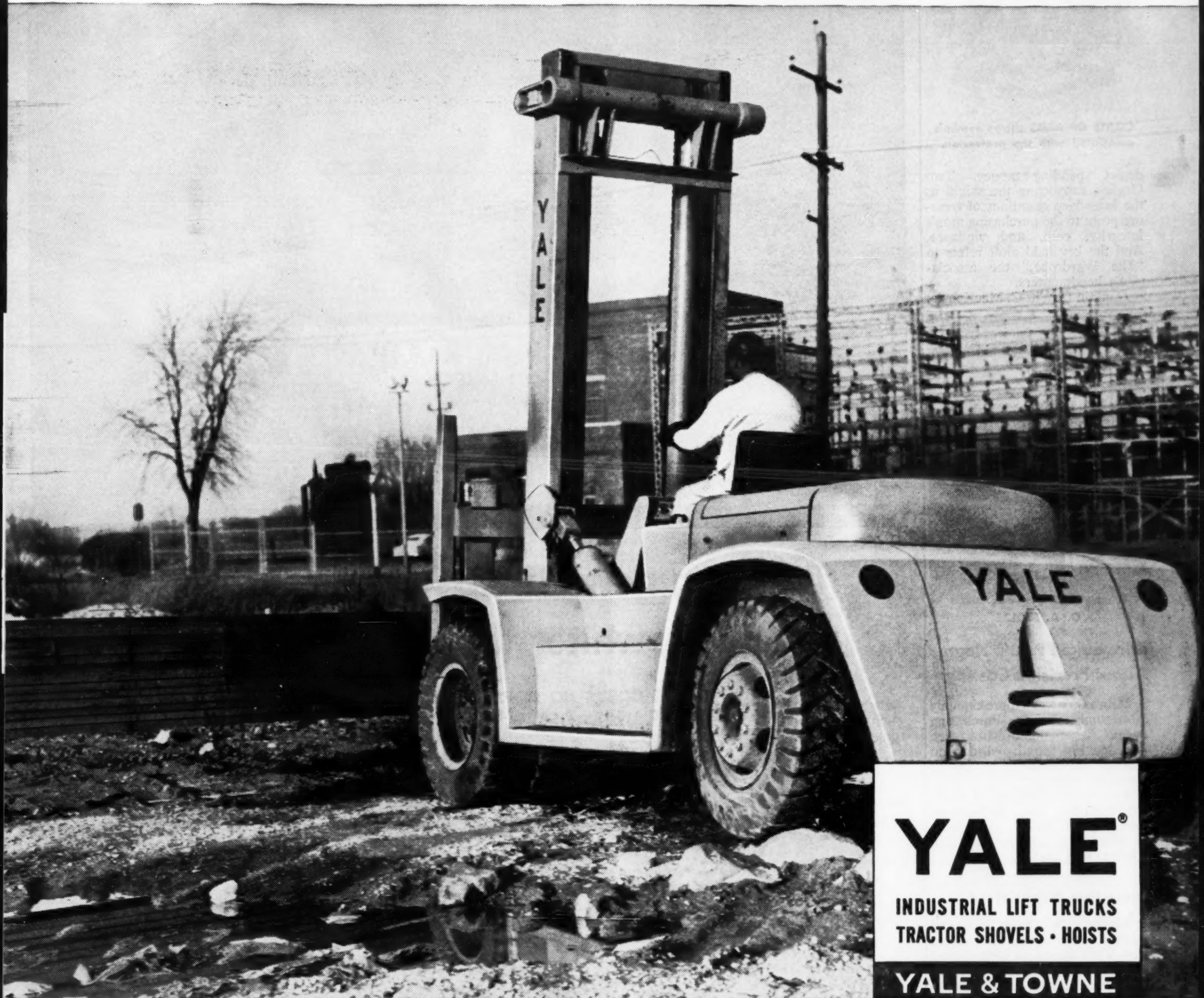
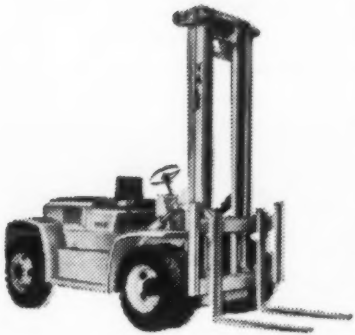
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British Purchasing Officers Adopt Appropriate Coat of Arms, Motto

Pactum Serva—Keep Thy Contract—Fitting Motto On Heraldry Designed by Royal College of Arms

London—The British Purchasing Officers Association has acquired new distinction. Members have adopted a coat of arms and an appropriate motto—Pactum Serva (Keep Thy Contract).

A formal dinner last month marked the official unveiling of the heraldry—a shield depicting symbols associated with purchasing—designed by the Royal College of Arms.

The center shield (see cut) barred across the middle symbolizes a contractual relationship. The three tasselled purses

who runs the U. S. Navy's purchasing office in London, who recently joined the association, attended the celebration.

MacKenzie joined the British group last January to gain a greater knowledge of British purchasing practice. "We may be able to learn something from the British," he said.



CELEBRATING new coat of arms are, left, Vice Admiral H. P. Koelle, British Admiralty; Air Commodore V. H. B. Roth, Air Ministry; guest U. S. Navy Capt. DeWitt C. MacKenzie; and Brigadier A. G. Fernyhough.

Detroit P.A.'s Hear 3 On Value Analysis Topic

Detroit—Value analysis and standardization took over the March meeting of the purchasing Agents Association of Detroit.

A trio of speakers included Scott B. Liston, of Diamond Alkali Co.; Harry Wurster, director of purchases of Wyandotte Chemical Co.; and E. Philip Kron of Eastman Kodak Co., vice chairman of the Eastern N.A.P.A. Value Analysis Committee.

Liston said without standards a P.A. would be forced to buy from one supplier.



COATS OF ARMS shows symbols associated with the profession.

depict spending money. Two Griffins supporting the shield as the legendary guardians of treasure point to the purchasing man's integrity, care, and vigilance. And the key held aloft refers to "The Wardrobe," the association's headquarters.

Captain DeWitt C. MacKenzie,



G. A. STOLZE

Milwaukee P.A.'s Hear About Precision Casting

Milwaukee — Approximately 100 members of the Purchasing Agents Association of Milwaukee attended last month's discussion session on technical aspects of precision castings.

Three representatives of Howard Foundry Co., Milwaukee, spoke: G. A. Stolze, processing; R. Martini, metallurgy; and Dan Kiefert, tool design.

Executive Night Held

Albany, N. Y.—Purchasing Agents Association of Eastern New York staged its 25th annual executive night last month. E. F. Andrews, assistant to vice president in charge of purchases, Allegheny Ludlum Steel Corp., was guest speaker.



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North Jersey P.A.'s Will Publish Business Survey 4 Times a Year

Vendor Performance on Deliveries, Prices, Profit, Lead Time, Production, and Volume to Be Covered

Newark, N. J.—Purchasing Agents Association of North Jersey soon will join N.A.P.A. groups which publish business surveys based on membership polls.

The North Jersey survey, to be published quarterly, will cover vendor performance on deliveries, prices, production, backlog of orders, delivery lead time, volume, profit, and a special question.

Frank Curran, P.A. of S. Blickman, Inc., Weehawken, is survey chairman. Committee members include: George Balmer, Sherwin-Williams Co., Newark; William F. Dietrich, Western Electric Co., Inc., Kearny; and Joseph A. Mathias, Manhattan Rubber Co., Passaic.

At the association's March meeting, Diamond Alkali's Scott B. Liston advised P.A.'s to sell top management on standardization to insure success. Liston, of Cleveland, illustrated his discussion of "The Strange Case of the

Seven Sided Post Hole" with slides.

Liston gave examples of how standards result in interchangeable items.

When standard specifications are established, a P.A. can shop around with some assurance that a price will be competitive, Liston emphasized.



SCOTT B. LISTON, Diamond Alkali, reviews examples of how standards aid purchasing agents at a meeting of North Jersey Purchasing Agents.

Public Relations Topic At Dayton P.A. Meeting

Dayton, Ohio—R. S. Burnett stressed public relations as a daily project for all good purchasing executives at the annual public relations program sponsored last month for members of the Purchasing Agents Association of Dayton.

Purchasing executives should strive for publicity within their companies, he said. Purchasing executive's importance to industry is well known, but selling one's self can increase an individual's stature, Burnett also pointed out.

Toledo P.A.'s, Salesmen Hold Session Together

Toledo, Ohio—Give and take between a purchasing agent and salesman can benefit both, Dr. J. H. McPherson of Dow Chemical Co., emphasized at the March joint session of Toledo purchasing agents and sales executives.

McPherson urged P.A.'s to interview salesmen as quickly as possible. He advised salesmen never to bypass P.A.'s for production personnel because that deflates the P.A.'s ego.

On the other hand, some P.A.'s are drunk with power and impatient with salesmen, McPherson said. He observed that P.A.'s may take out their egos on salesmen.

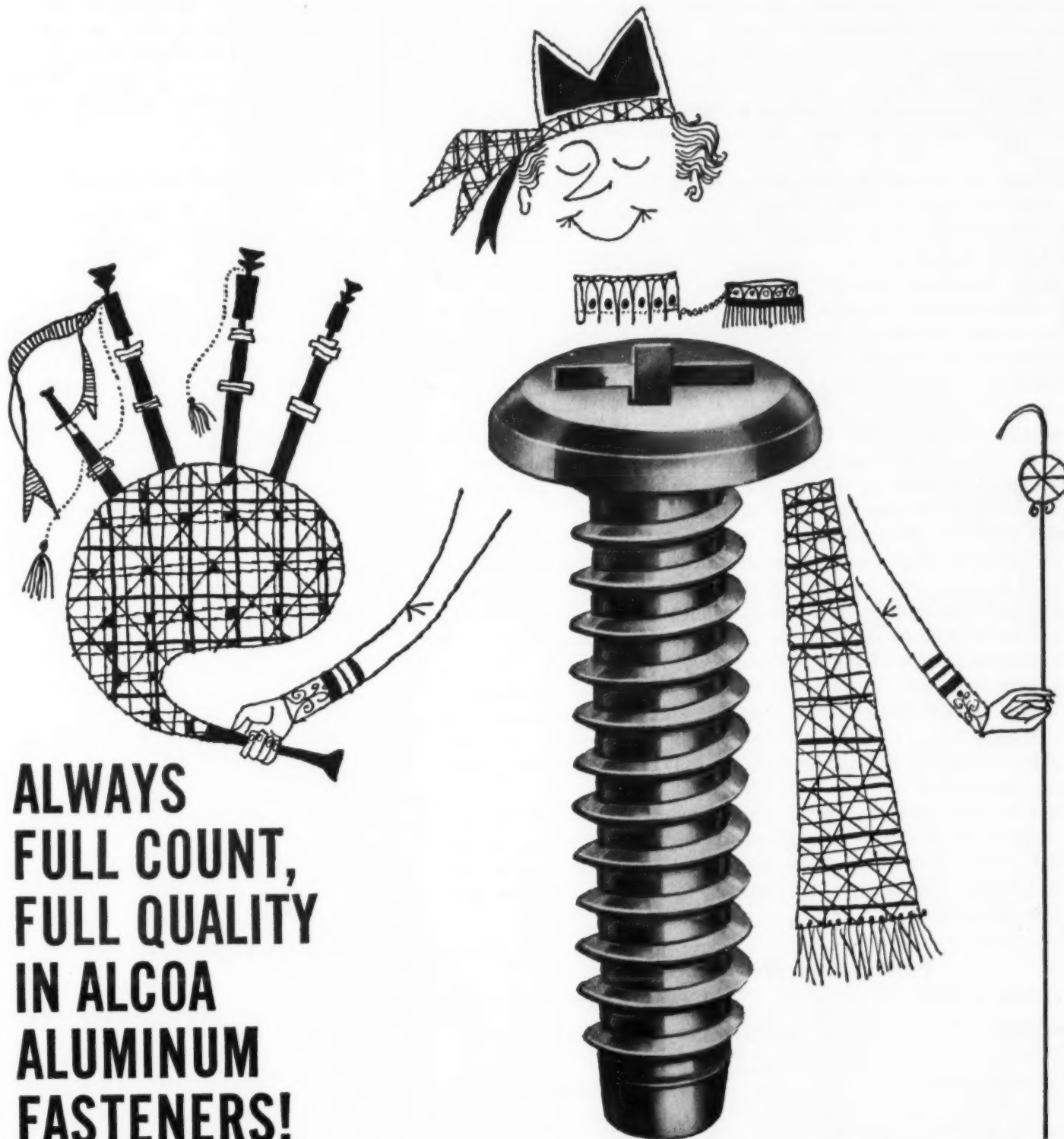
McPherson advised salesmen to listen to P.A.'s before starting their sales pitch. He also told salesmen to sell rather than take up a P.A.'s time with tales of woe.

Harlan Cross Speaker At Syracuse P.A. Meet

Syracuse, N. Y.—Harlan C. Cross, purchasing agent for United States Pipe & Foundry, Birmingham, Ala., and a member of the Alabama association's educational committee, was the guest speaker at last month's session of the Purchasing Agents Association of Syracuse and Central New York. Cross reviewed the Alabama association's educational prospects and stressed the importance of education in the purchasing profession.

Affleck Visits Utah P.A.'s

Salt Lake City, Utah — N.A.P.A. President Gordon B. Affleck spoke at the March session of Purchasing Agents Association of Utah, his home association, as part of his nationwide tour.



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Initiative, Judgment, Imagination Belong

While industry and government purchasing men's problems may differ slightly they do have much in common. It is interesting to note, therefore, just how the federal government, the world's largest spender, looks upon the procurement function and the men who perform it.

If you or top management men in your firm harbor any doubts that initiative, judgment, and imagination all belong in the purchasing executive's portfolio, then the government's booklet, "Procurement Handbook," should dispel such ideas. The booklet also certainly points up the fact that the purchasing man's informational needs go beyond current purchasing practices.

Here are a few quotations you'll find useful in discussing purchasing:

"Because of the diverse elements of procurement, and the unlimited number of special considerations and circumstances involved in purchase . . . we have not attempted to cover the abnormal or unique. Such cases, commonplace as they are, must continue to be resolved on the basis of individual consideration and sound judgment."

"The Federal procurement officer must exercise ingenuity, skill, and judgment in anticipating and providing for the various situations which may develop . . ."

"In carrying out the actual procurement or purchase operation the purchasing agent is engulfed in a large volume of legal and administrative requirements, all of which must be carefully observed and evaluated. He must be free to act on his own judgment . . ."

"The major benefits to economy and efficiency are derived from the procurement officer who not only handles routine purchasing assignments in an outstanding manner but who is capable of using initiative, imagination, and resourcefulness in his handling of the frequently encountered 'unusual' case, or in developing or adopting more efficient and economical purchasing procedures and techniques."

"To be fully effective he (the P.A.) must participate in the programming of operations. Good coordination requires good lines of communication to insure that he is informed on agency policies and programs, and that his supervisors and associates are also fully informed on market conditions and procurement problems which affect their primary areas of responsibility."

"The procurement officer must act as intermediary between the suppliers of goods and services, and the users of these products. He should review trade magazines, periodicals, and other publications, and maintain an inquisitive interest concerning improved designs and technical progress, as well as price trends and evolving trade practices, which come to him from these sources or from direct contact with sales representatives. He should be able to evaluate price trends and make reasonable estimates of the probable effects of changing trade conditions on the program of his agency. The procurement officer should take care to see that he is fully informed on the agency's present and future needs."

"In order to fully serve the broad public interest and further his own agency's program the procurement officer must improve and develop his own abilities and talents. This development applies not only to the specific field of procurement but also involves a willingness to learn and practice good administrative procedures."

Your Follow-Up File

Another Interested Reader

Los Angeles, Calif.

In this column in your March 23 issue you published a letter from the purchasing department of Ciba Pharmaceutical Products, Inc. They thanked you for getting them information on automatic food vending companies and machine manufacturers.

This just happens to be information we are currently interested in, and if you have a copy of what you sent to Ciba, it would be helpful to us.

James J. Barnett
Purchasing Agent
Fount-Wip, Inc.

Wants Thesis Reproduced

Brooklyn, N. Y.

I am interested in getting copies made of my thesis, "Value Analysis in Industrial Purchasing."

The report is approximately 80 pages in length and covers the subject fully. I have a problem in getting it reproduced and would share this material with any firm that can supply me with five copies of the report.

A company investigating the possible use of value analysis would discover it an excellent aid in saving many hours of exploratory research.

Frank Schwartz
Purchasing Agent
Astorloid Mfg. Co., Inc.

Members Like Our Interest

Lansing, Mich.

I would like to secure three or four copies of the March 16 issue.

The members of the National Association of State Purchasing Officials are very grateful for the interest which PURCHASING WEEK has given to governmental purchasing.

J. Stanley Bien
Director
Purchasing Division
State of Michigan

We Have Reprints Ready

Raleigh, N. C.

Will you please send me one copy each of the following:

"Value Analysis Profitable Tool Only If All Profit, All Cooperate," May 5, p. 12;

"Experts Aid Purchasing Men by Answering Pertinent Questions on Value Analysis . . ." and ". . . But Fred Sherwin's Answer Is That Value Analysis Enables P.A.'s to Increase Savings," Jan. 26, pp. 12 and 14;

"Team Offers Purchasing Men Value Analysis," Dec. 15, p. 1;

"Army Ordnance Turns to Value Analysis; Design and Procurement Installations Affected," Dec. 22, p. 15.

H. Wilson
Purchasing Agent
Carolina Power & Light Co.

Austin, Tex.

We would appreciate your mailing us 30 reprints of "Write Letters That Bring the Results You Want," by C. W. Wilkinson, (Dec. 29, p. 6).

Wm. J. Burke
Executive Director
State Board of Control

Lancaster, Ohio

Please send me one copy of "Experts Aid Purchasing Men by Answering Pertinent Questions on Value Analysis . . ." and ". . . But Fred Sherwin's Answer Is That Value Analysis Enables P.A.'s to Increase Savings" (Jan. 26, pp. 12 and 14).

W. W. Black
Purchasing Agent
Diamond Power Specialty Corp.

Harrison, N. J.

May I have one set of tear sheets on your recent purchasing manual series by F. Albert Hayes ("Purchasing Manuals Have Many Values," March 9, p. 14; "A Good Manual Is Designed for Your Company Alone," March 16, p. 8; and "P.A. Must Be 'Salesman' to Sell Manual to Top Management," March 23, p. 12).

T. F. Griffin
General Manager of Purchases
Worthington Corp.

• Reprints are being made up.

Coatesville, Pa.

Please send me a reprint of the following articles which appeared on page 22 of your Feb. 9 issue:

"New Paints & Coatings Available to Purchasing" and "Knowing How to Buy Industrial Paints Can Add to Influence of Purchasing Men."

A. M. Deggett
Buyer
Purchasing Department
Lukens Steel Co.

Montreal, Quebec

We are anxious to obtain between five and ten copies of "Vinyl-Coat Steel Reply to Plastics" (March 9, p. 1).

A. W. Stevens
Sales Manager
Drummond, McCall & Co., Ltd.

No Local Courses Offered

North Bergen, N. J.

I am trying to find out if there are any colleges in the metropolitan area where a person may major in industrial purchasing.

There have been rumors recently about some kind of a school where certificate courses are offered in this field.

G. J. Villa

• As far as we know there are only four colleges in the country which offer majors in industrial purchasing: University of Pittsburgh, Los Angeles State College, Michigan State University, and Illinois Institute of Technology.

To Our Readers

This is your column. Write on any subject you think will interest purchasing executives. While your letters should be signed, if you prefer we'll publish them anonymously.

Send your letters to: "Your Follow-Up File," PURCHASING WEEK, 330 West 42nd St., New York 36, N. Y.

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PURCHASING WEEK Asks You . . .

If you as your company's chief purchasing executive were moved to a higher position (vice president), whom would you recommend as a replacement:

1. A qualified seasoned junior from your purchasing group;
2. a more mature outside man qualified in purchasing experience and in the same industrial line;
3. a man from your production, engineering and sales group with no prior purchasing experience or knowledge?

Question asked by: F. R. Scherzinger, Chairman of the Purchasing Advisory Committee, General Chemical Division, Allied Chemical & Dye Corp., New York



Alex Veitch
Granny Goose Foods, Oakland, Calif.

"Our company has a policy of advancing its own people. I would recommend a man from our production group to be trained as director of purchases. Production and purchasing are closely allied in our company and our production executives well understand the problems of our multi-plant operations and centralized purchasing. Knowledge of our quality standards and production would make an effective transition."

J. M. Wilensky
Yale & Towne Mfg. Co., Lock and Hardware Division, White Plains, N. Y.

"Our division is a multi-plant operation. We have seasoned purchasing agents in each of our five plants, who are thoroughly familiar with the functions of a central purchasing office. Through their experience, these men would have an edge in qualifications over either an outside P.A. or an executive from another field. I would not hesitate to choose one of our own P.A.'s."



W. E. Hunter
Curtiss Candy Co., Chicago

"I would recommend a qualified junior executive. This follows our company's plan to promote from within whenever possible. Such an individual would be selected as assistant to the chief purchasing executive, having been trained in all phases of the operation and company policies and in acting during the chief purchasing executive's absence. Promotion is beneficial as an individual incentive and helps morale."



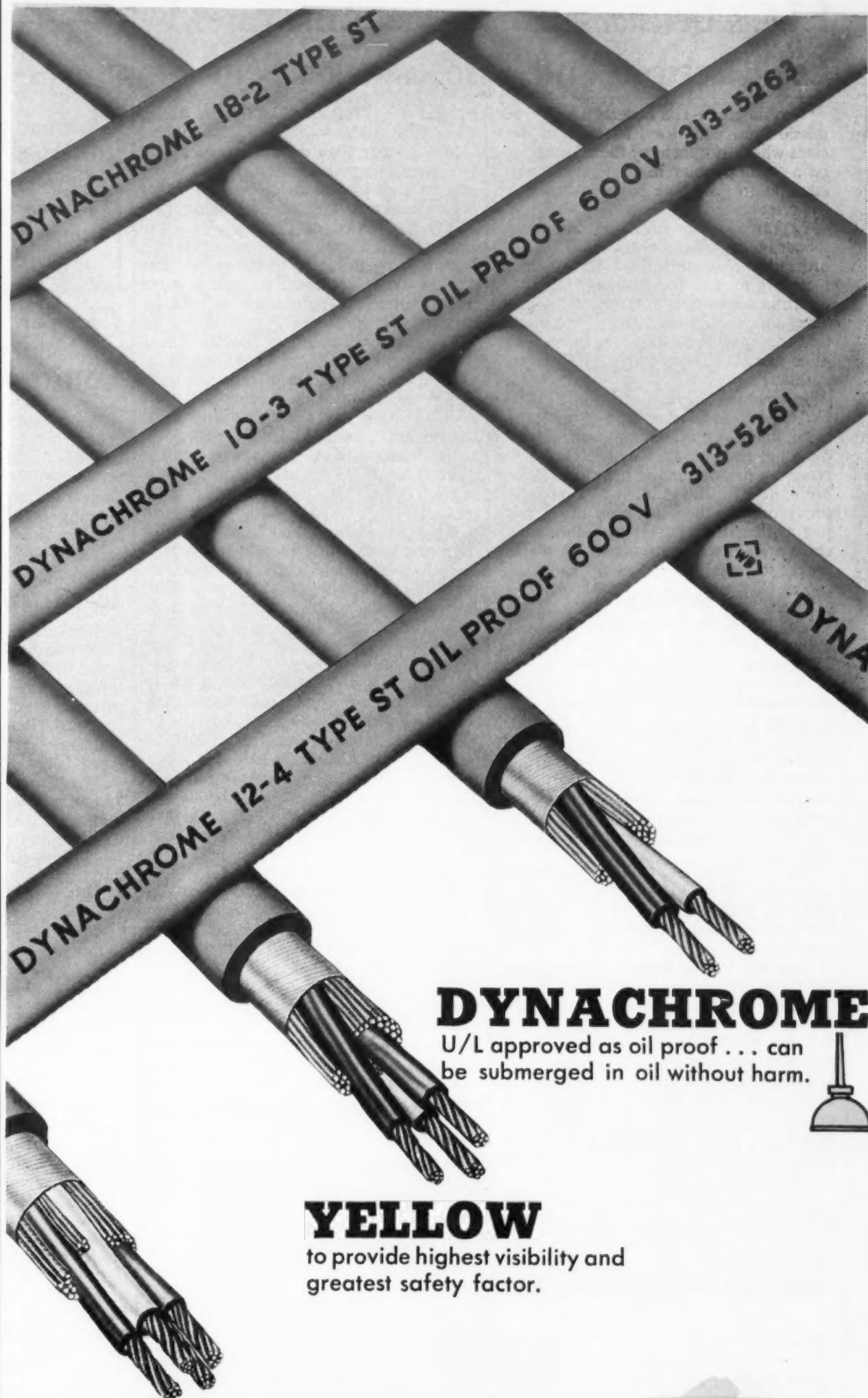
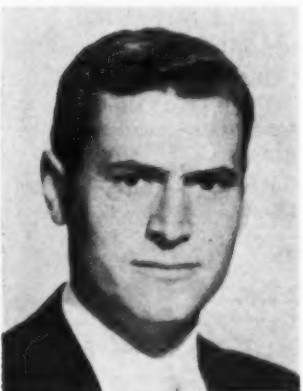
Michael Weiss
Transogram Co., Inc., New York

"In the toy manufacturing business, the knowledge and experience required for purchasing are not confined to a few industries. It is my opinion that a junior executive trained in our methods—in acquiring an over-all experience in a great many industries which is a part of his every day job—would be far better qualified to take over as chief purchasing executive than anyone else we might acquire in our organization."



D. J. Dion
Humphrey, Inc., San Diego

"Promotion within the department whenever possible appears to be most advantageous. The promoted junior may not be satisfactory in his new job but he is still a better gamble than the man hired on record and reputation alone. His possibly limited experience is far outweighed by a firm acquaintance with company philosophy and procedure. Furthermore, promotion provides an extremely important incentive."



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F.T.C.'s Decisions on 3 Jobber Assn. Cases Could Lead to Price Discrimination Suits

Washington—The Federal Trade Commission has completed a series of decisions which, if upheld by the courts, could be a turning point in its long-frustrated attempts to prosecute buyers who benefit by price discriminations.

In three cases involving automotive jobber buying associations, the F.T.C. has ordered the organizations and their 42 members to stop inducing and accepting discriminatory prices from their suppliers. The commission had ruled previously that the suppliers involved granted illegal price discriminations under the Robinson-Patman Act.

In moving against the buyers, the F.T.C. utilized Section 2(F) of the Robinson-Patman Act which makes it unlawful for a buyer: "... knowingly to induce or receive a discrimination in price which is prohibited by this section." Under that provision, the law attempts to make it just as illegal for buyers to induce or receive price discriminations which the law makes it illegal for sellers to grant.

First Attempt Fizzled

The F.T.C.'s first real attempt to make a buyer liable with the seller fizzled in 1953 when the Supreme Court rejected its handling of a test case involving the Automatic Canteen Co. of America.

In the Canteen case, the F.T.C. argued that all it had to prove was that the candy vending machine firm was receiving prices lower than the seller's list. Court cases provide that sellers have to prove their prices are not illegally discriminatory, and the F.T.C. argued buyers must bear the same burden.

But the Supreme Court rejected this approach. It held the fact a buyer bargains for and gets a lower-than-list price does not prove he knowingly induced a discriminatory price.

Now the F.T.C. is trying again, using the three automotive jobber cases.

Ruling in the case of Metropolitan Automotive Wholesalers Cooperative, Inc. and its 17 New York and New Jersey members, the commission said the jobbers violated Section 2(F) by receiving rebates up to 19% higher than those received by competitors. It contended the defendants knew or should have known these rebates could not be justified legally by the sellers.

Under the group-buying arrangement, jobbers sent their orders through the co-

operative to suppliers and were billed through it. This was the only change, Commissioner Sigurd Anderson said, in the purchasing procedures followed by jobbers after joining the co-op. The seller made deliveries direct to each jobber.

Rebates, based on the aggregate purchases of all members of the cooperative, were paid by the seller to the co-op. The rebates were distributed to each member in proportion to the amount of their individual purchases.

In short, Commissioner Anderson said, the co-op was merely a "bookkeeping device" for the collection of rebates.

The operation of the buying group did not "result in any significant savings to the sellers," said Anderson. But, the F.T.C. contended, the members received more favorable prices through the group-buying device than non-group competitors.

The commission said billing was the only cost-saving difference in methods or quantities in which goods were sold and delivered to members of the group. Only one billing was required for purchases by all members, instead of separate billings for jobbers buying individually. This savings in billing costs to the seller, said the commission, "certainly would not be sufficient to justify price differences ranging up to 19%."

The commission thus ruled that requirements set up by the Supreme Court in the Automatic Canteen case had been met: The evidence must include showing that the buyer, knowing full well there was little likelihood for a seller to justify the discounts, nevertheless induced or received discriminatory prices.

The commission rulings were similar in each of the automotive jobber cases. They contended that "trade experience in a particular situation can afford the degree of knowledge" required by the Supreme Court ruling.

The F.T.C. said that in the automotive cases the record showed: "that various competing jobbers did not purchase individually in sufficient volume to receive comparable discounts. There is likewise evidence of keen competition, small profit margins, and other factors sufficient to justify a conclusion that the discounts may result in substantial injury to competition. It is also clear that the jobbers (buying through the co-op) knew all such factors."

Monthly Trend in Freight*

(% Change from Corresponding Month of Previous Year)

Railroad Freight Car Loadings	+ 8.7
Trucking—Intercity Tonnage	+11.7
Air Freight and Express—Ton Miles	+16.8
Waterways—Foreign Trade Ship Clearances	+ 4.7

*Latest month for Railroads is February; Trucks, January; Airlines, December; Waterway, December.

Carrier Groups Fight to Hold Line Against Controversial Railroad 'Agreed Charge' System

Washington—Major truckers and other carrier groups have opened a fierce fight to hold the line against railroad plans to set up a controversial rate-lowering "agreed charge" system. Target of the opening attack is the trail-blazing rate contract filed by the Soo Line (Minneapolis, St. Paul, and Sault Ste. Marie Railroad) last month.

Appeal to the I.C.C.

The American Trucking Association, the American Waterway Operators, Inc. and a half a dozen other freight organizations appealed to the I.C.C. last week to reject the Soo Line's guaranteed rate proposal. Pending I.C.C. action, the rate had been scheduled to go into effect April 10.

The Soo offers to haul pipe, tubing, and other steel and wrought iron products from Sault Ste. Marie, Ontario, to Chicago and points taking the same rate for \$10.05 per net ton. The present rate is \$12.18.

To get the special rate, shippers must contract to move 90% of their freight tonnage via the Soo line.

Opponents argue that adoption of the agreed-charge principle would have far-reaching effects on "the whole established system of ratemaking in the United States" with special adverse effects for truck and waterway carriers.

In Effect Since '38 in Canada

While this is the first legal test of the agreed charge rate system in the United States, it has been part of the Canadian freight rate structure since 1938. "Agreed charges" are now so firmly established on all Canadian railroads that there is no serious suggestion of scrapping them.

Right now about 10% of the freight hauled on Canadian railways moves under agreed charges and the percentage is continually growing. It includes most of the fabricated and semi-fabricated goods carried in long distance transport—crude oil, petroleum products, automobiles, machinery, iron and steel products, furniture, etc.

The system creates no discrimination between small and large shippers operating in the same area. There are, however, occasional complaints that an agreed charge enjoyed by an industry in one area may be discriminatory against a competing industry in another area.

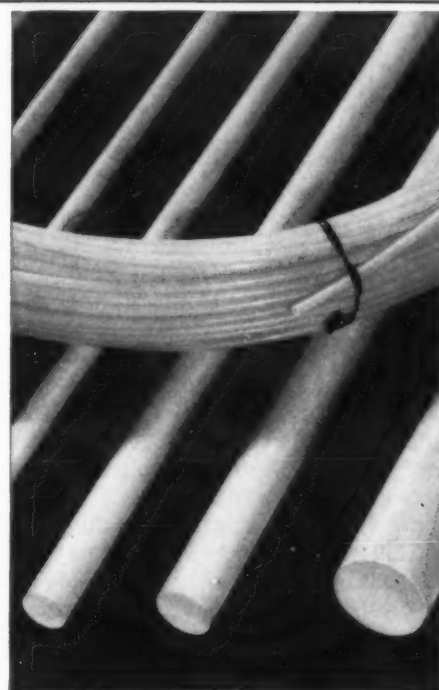
How It Works Under Canadian System

Essentially, an agreed charge under the Canadian system is a contract under which a shipper undertakes to move all or a minimum portion of his traffic with a railway at a rate which is somewhat lower than the normal rate applicable to the particular product. The Soo Line proposal is of this type.

However, the Canadian system rules out exclusive agreements. If there are two railways serving the points covered by an agreed charge contract, the second railway is automatically a part of the deal made by the one which negotiates the "agreed charge." That means the shipper can choose between the competing railways and still have the benefit of the contract.

Also, the agreement is open to any

other shipper moving the same type of goods to the same points on the same conditions. Thus, the small manufacturer, the small distributor, the small buyer gets in on deals made by their larger competitors which give them lower freight rates than they could have obtained in bargaining on their own.



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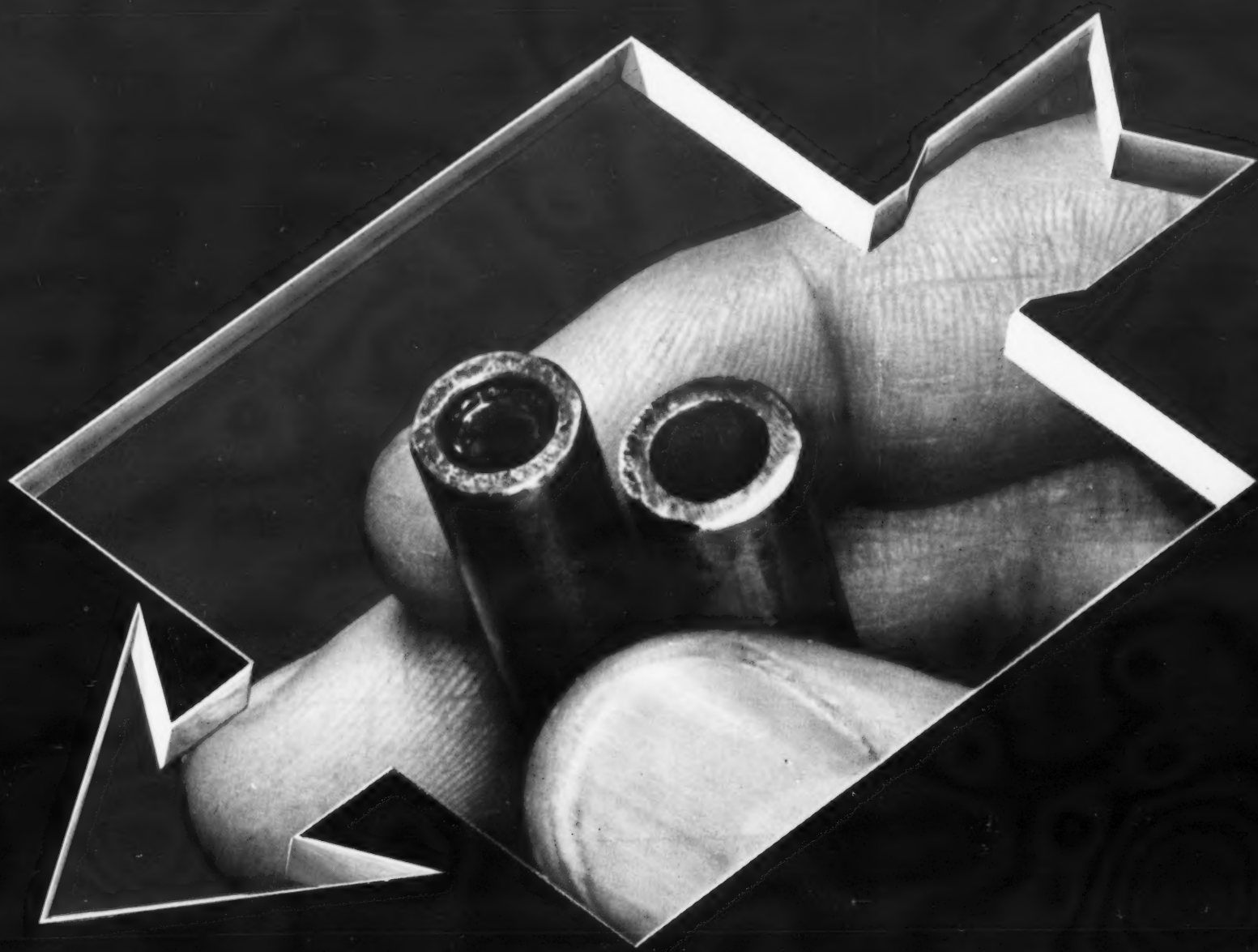
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Who Discovers the Discoverers?

"A professor can never better distinguish himself in his work than by encouraging a clever pupil, for the true discoverers are among them, as comets amongst the stars." CARL LINNAEUS

Somewhere in this mighty land of ours, a gifted youth is learning to see the light of tomorrow. Somewhere, in a college classroom or laboratory, a dedicated teacher is gently leading genius toward goals of lofty attainment. Somewhere the mind of a future discoverer—in science, engineering, government, or the arts—is being trained to transcend the commonplace.

Our nation has been richly rewarded by the quality of thought nurtured in our colleges and universities. The caliber of learning generated there has been responsible in no small part for our American way of life. To our college teachers, the selfless men and women

who inspire our priceless human resources, we owe more than we will ever be able to repay.

Yet how are we actually treating these dedicated people? Today low salaries are not only driving gifted teachers into other fields, but are steadily reducing the number of qualified people who choose college teaching as a career. At the same time, classrooms are beginning to get overcrowded. In the face of this, college applications are expected to double by 1967.

This is a severe threat to our system of education, to our way of life, even to our very existence as a nation. Our colleges need help—and they need it now!



If you want to know more about what the college crisis means to you, and what you can do to help, write for a free booklet to: HIGHER EDUCATION, Box 36, Times Square Station, New York 36, New York.

Sponsored as a public service, in cooperation with the Council for Financial Aid to Education





SPECIAL TRUCKS are often leased because of special maintenance problems. Construction truck here negotiates heavy ruts with ease. End use affects leasing costs.



LARGE OR SMALL FLEETS are available with leasing arrangements. Small fleet of trucks here stand poised for deliveries. Some companies have found "trial" leasing of help.

What You Should Know About Truck Leasing

By **ROBERT K. MOFFETT**
Managing Editor, *Fleet Owner*
McGraw-Hill Publishing Co.



Robert K. Moffett is managing editor of "Fleet Owner," McGraw-Hill's magazine of fleet operations. Since joining McGraw-Hill four years ago, Mr. Moffett has twice won honors in industrial journalism. He is a two-time winner of the highly-coveted Jesse H. Neal award for editorial achievement.

"Fleet Owner," considered by many the "bible" in its field, reaches more than 40,000 readers in the truck and bus operations business.

Here's a fact that ought to make you, as a P.A., see red: 38% of the companies leasing trucks were sold on leasing by salesmen's spiels—they did not ask for competitive bids.

To shed light on this problem, and to gather together the necessary facts for companies considering leasing, "Fleet Owner" conducted a two-year study on the subject. The resulting report is, we think, the first purely factual, unprejudiced discussion on leasing ever published. And the information contained in it can pay off for any size company, whether it's operating one or one-thousand trucks. Emphasis in the report has been placed on full-service leasing (P.W., Jan. 19, 1959, p. 16).

How the Study Was Made

"Fleet Owner" collected all the known, published information on truck leasing as a first step toward studying the subject. Then one of its staff editors was "farmed-out" to work with a leasing company on a full-time basis in order to get the "feel" of the business.

For the nation-wide picture, the editors interviewed executives of the National Truck Leasing System, Hertz, and Ryder. On the local level, 25 leasing men were questioned in 13 cities—New York, Washington, Richmond, Chicago, Detroit, Cleveland, Denver, Dallas, Seattle, Atlanta, San Francisco, Los Angeles, and Ft. Wayne.

The next step was to get the user's viewpoint. Over 100 company men who lease all or part of their vehicles were interviewed. Their names were provided by the leasing companies. Realizing this was a picked selection, the editors also interviewed a number of companies who had either dropped leasing after a try, or who had considered it and decided against leasing.

The purpose of this report was not to sell leasing or to attack it. It was to find out what a com-

pany should consider before making a decision, what would affect the decision in terms of management, maintenance, and company economy.

Why 106 Companies Are Leasing

Reasons behind decisions to lease varied all over the lot. The majority of companies listed several factors as influencing their decisions. Here's how the returns broke down: 26% began leasing for economy; 21% to free capital for investment or working expenses; 28% to get rid of maintenance headaches; 27% wanted to reduce management problems; and 24% gave an assortment of different reasons, such as mergers with companies that were already leasing.

Releasing capital was a concern primarily of the companies operating a large number of vehicles (33%). "Fleet Owner" defined large as 26 to 141 trucks for purposes of this survey. Companies operating from six to 25 trucks were generally interested in getting rid of maintenance worries.

When the companies surveyed started leasing, there was a minimum of shopping around. Several, however, did try leasing a limited

number of vehicles at first in order to give the arrangement a test run before making a larger commitment. But only two tried leasing from more than one lessor to compare service.

So how did they make their decisions? Three basic factors were cited as being responsible for the initial selection of a leasing company: 1. the reputation and character of the company; 2. the personality and intelligence of the truck leasing salesman; and 3. the competitive bid of the truck leasing company. Less than half the companies surveyed made their initial selection on a bid basis.

Results Were Far from Black

The results, despite these hit-or-miss methods, were far from black, according to the people questioned. Bear in mind, however, that these fleets were selected by leasing companies.

When asked what benefits they received from leasing, the companies listed a wide variety. Relief from maintenance problems was mentioned by 60%. Relief from management responsibilities by 59%. Thirteen per cent mentioned economy as one of the features of leasing that pleased them most, while 51% said that leasing was more economical than operating their own trucks. Simplified accounting procedures, release of capital, and the availability of extra equipment were mentioned by 17% of the companies surveyed.

To get the other side of the picture, "Fleet Owner" also interviewed a number of companies that formerly leased but now have returned to private ownership. In most of these cases, the cost factor was the key. The number of vehicles operated seemed to have little or no bearing.

For example, one of the companies interviewed operates over 200 vehicles. It leased for several years and then decided it could do the job cheaper itself. Maintenance equipment and vehicles were re-purchased. After three years the company is completely satisfied with private operation and feels that it is definitely saving money.

Another company interviewed operates less than 25 vehicles.

How to Rate Leasing Companies in Your Area

If you're considering leasing, you're going to want to get a clear picture of how the prospective lessor rates. These five key questions can help you check the company out.

1. Does the leasing company have a sound business personality? Best way to gage a company's soundness is to find out how it stands with its customers. If the company you're dealing with is reputable, it won't be reluctant to provide you with a list of its satisfied customers. And, of course, you can check with the Better Business Bureau. If the size of the contract is large enough to warrant it, have an analysis made by Dun & Bradstreet or one of the other companies in this field to find how it rates financially.
2. What is its sales approach? Don't let yourself get snowed under with overwhelming statements about how much you'll save. Pin the salesman down in terms of your own operation. Don't let him blind you by pointing to your problem areas, either. Stand back and ask yourself where it benefits you owning your own equipment. Be cautious of "special offers" too. Topnotch leasing companies are often outbid by fly-by-nights who'll promise anything, but pay off in substandard service.
3. How good is its maintenance? This is a bigger factor than you may realize at first. It can make a huge difference in dollars and cents. It would be well worth your while to visit the lessor's shop and find out whether he's doing a good job.
4. Is the contract clear to you? This may seem basic to any P.A. but the fact remains that there are still a great many people signing contracts they don't understand. Leasing contracts are flexible and it's up to you to make sure you'll be getting what you want when the chips are down.
5. What extras are offered? If the leasing company checks out on all the other points, find out where he might be of special assistance to you. Some lessors offer planning aid to help you get more from your transportation setup. They may be able to help you save money by better utilization of your equipment or better scheduling for maintenance.

Its decision to return to private ownership is explained this way: "Leasing is too expensive. We're gradually whittling down the number of leased vehicles and will have a completely company-owned fleet when our last contract runs out."

What does this add up to? The conclusion that can be drawn is that when cost is the major factor in deciding to lease or not, it's less expensive to own your own vehicles. If cost is only one of the factors, then the others

mentioned above must be studied in detail before you can reach a logical decision.

Few subjects can arouse as intense debate among experienced truck operators as leasing. "Fleet Owner" gathered together some of the most commonly heard grievances in order to give prospective lessees a clear view of the problems that must be considered. Here are the biggest complaints:

Management loses control over
(Continued on page 14)

What to Know on Truck Leasing

(Continued from page 13) its vehicles. Leasing puts you completely at the mercy of the leasing company. If it doesn't come through with the service that's offered, you're stuck. And the only way you'll learn how they work is to lease from them. At the same time, you're eliminating one area in which you might effect economies. Certainly there are advantages in having fixed costs, but once you've signed the contract, there's nothing you can do toward reducing these costs. If the leasing company is slipshod in its methods, you'll be paying the price for its inefficiency in your regular bills.

Leasing costs more with time. When the vehicles you're using are new, you are not able to derive full benefits from their low operating costs because of the

basically high costs of leasing. Furthermore, the money you're releasing for other purposes will be at the cost of your company's capital value. Vehicles and shop equipment are solid assets. And when a vehicle is fully depreciated, it still has a very definite cash value.

Reliability is an all important question. Certainly, if your leasing company's maintenance is faulty and you have breakdowns, he's obligated to provide you with another vehicle. But he can't be expected to make up for the lost time. And if there are a lot of breakdowns, once again, somebody has to pay for them. The leasing company isn't going to foot the bill. Smaller companies have been heard to complain that they get second class standing while the lessor caters to his customers with large fleets.

But the most important thing for the prospective lessee to remember is that it's a lot harder to get out of leasing than it is to get into it. If you find you've made the wrong decision, you're going to have to raise all that capital you released all over again in order to get your equipment back.

Obviously, there are no set ground rules in leasing. Any decision must be looked at from a number of different angles. You must know how leasing fits in with your own company's operations, whether there are factors that are going to boost your costs under leasing and whether the resulting rise will be worth it in terms of benefits. And you must know the leasing company itself. You can't decide on a theoretical basis. You have to know whether this particular company is going to come through with the things you're banking on to make it work for you.

What You Should Know About Your Truck Costs

Here are five basic questions that will help you get a clearer picture of your own operation in terms of leasing. Before you let yourself be sold, you'll want the answers to these on hand as talking points.

1. Do you require special equipment? This goes a long way toward determining the purchase cost of your vehicles.
2. Does your truck operation present special problems? Your costs are bound to be higher if you're operating over difficult terrain or in heavy city traffic.
3. Are you in a low-cost leasing area? This depends on how well established leasing is in your vicinity, how convenient you are to a lessor's shop or garage. Another fact: Is your delivery area easily within reach of the lessor for servicing road calls and emergencies?
4. Are you wide-spread enough for nation-wide leasing? If your company is in a position to make a big deal with a lessor, you can pick up some special deals that could make leasing even more attractive to you.
5. Would released capital be a big help? Unless you have some solid plans for using the money that would be released by going into leasing, you shouldn't be swayed by this angle. Ask yourself what dividends you would net from having more money at hand.



Clean washers are essential to today's high standards of clean workmanship. Your assemblies—down to the last nut and bolt—must be clean.

When you use Milwaukee washed washers, workers' hands are kept clean. Cleaner workmanship results, assembly lines move faster, costs are lower, profits higher, your customers better satisfied! There is no grease, grime, graphite or other foreign matter to rub off on workers' hands or the work they are handling.

As a plus value, the Milwaukee Wrot Washer washing process includes rust-resistant treatment. It is used on all popular sizes of U. S. Standard and S.A.E. Washers, Rivet Burrs, and Machine Bushings.

Since the introduction of this washing process, industry has specified Milwaukee Washed Wrot Washers in a BIG WAY—but whether you specify "washed washers" or not—that's the way they reach you. Clean as a whistle, and made to match your own high standards of quality and cleanliness!

Specify "Milwaukee Wrot Washers" for better Quality Control.

Modern Packaging for Easier Identification...

In keeping with a policy of "dressing up" the washers themselves, by our special washing process, they are now put up in convenient, attractive 1-lb. and 5-lb. packages for easier identification and handling.

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WROUGHT WASHER MANUFACTURING CO.
The World's Largest Producer of Washers

2111 S. BAY ST., MILWAUKEE 7, WIS.



Meetings You May Want to Attend

First Listing

Society of Automotive Engineers—Farm Construction and Industrial Machinery, Production Forum and Engineering Display, Milwaukee Auditorium, Milwaukee, Sept. 8-11.

Iron and Steel Exposition—Cleveland Auditorium, Cleveland, Sept. 23-26.

National Industrial Packaging and Handling Exposition—International Amphitheatre, Chicago, Oct. 13-16.

Previously Listed

APRIL

1959 Nuclear Congress — Public Auditorium, Cleveland, April 5-10.

American Welding Society—40th Convention and

Exposition, Hotel Sherman and International Amphitheatre, Chicago, April 6-10.

American Management Association — National Packaging Exposition, International Amphitheatre, Chicago, April 13-17.

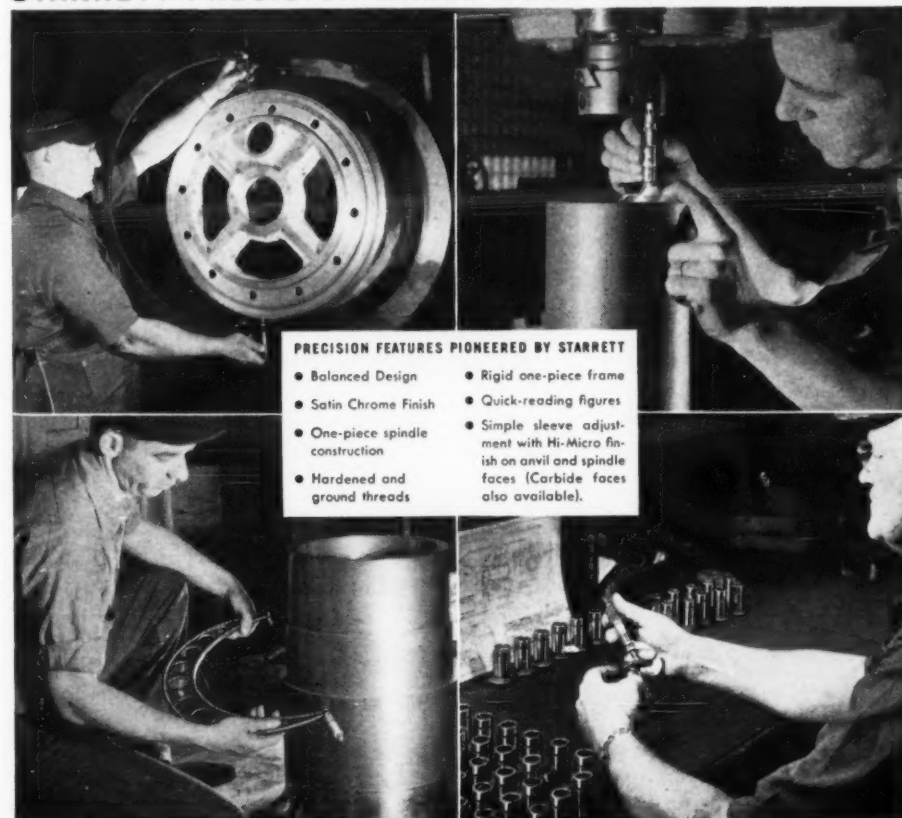
29th Annual Safety Convention and Exposition—Hotel Statler, New York, April 13-17.

American Society of Tool Engineers — Annual Meeting, Schroeder Hotel, Milwaukee, April 18-22.

Instrument Society of America — Southeastern Conference and Instrument Show, Gatlinburg, Tenn., April 20-22.

22nd Annual Pacific Northwest Purchasing Agents' Conference—Co-sponsored by the British Columbia, Oregon, and Washington Purchasing Agents Associations, Olympic Hotel, Seattle, April 24-25.

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'Canned' Softgoods Idea a Merchandising Hit

Tested in Supermarkets, Goods Packaged in Paper Containers Outsold Transparent Packaged Goods

New York—Soft goods in "cans" is one of the newest ideas in packaging and merchandising.

The principle appears to run counter to the notion that packaged soft goods must be sold in transparent packaging. But American Can Co. reported last week that soft goods "canned" in sealed, opaque, rigid paper containers had passed their first sales test in supermarkets. The company hopes it has opened a new untapped market with a strong long-range sales potential.

The Canco Product Marketing Division said several types of ladies' underclothing and children's briefs and socks were packaged in tubular fibre containers. The same items in conventional flat transparent plastic packages were given equal space in the non-food section of four Eastern supermarkets.

According to Canco, the "canned" soft goods group outsold the others by two to one both

in dollar volume and clothing units. Additionally, the stores reported that the new-type packaging also led to increased sales.

Of the four items tested, brassieres were the most popular seller, accounting for 40% of the combined dollar sales of all items in either package.

The Canco containers are tubular, and stand five inches high. The company said they can be

warehoused, distributed, price-marked, stacked, and sold according to normal supermarket methods.

Other advantages claimed over the usual transparent package: more advertising surface, a self-service label giving explicit information as to contents and identification, a tight seal and rigid construction which discourages customer tampering and assures complete sanitation.

TUBULAR fibre containers are now used to package soft goods



Your SINGLE-SOURCE for non-ferrous metals. Federated brass, bronze, aluminum, zinc, lead, solder, babbitts, plating materials, galvanic anodes, lead products. All rigidly controlled in production through processes developed by Asarco's Central Research Laboratory to

guarantee complete and strict adherence to specifications, order after order. All promptly available through 21 sales offices, 11 plants, a network of strategically located stock points. All backed

by a sales engineer force with long and thorough experience in non-ferrous application. Concentrate all your non-ferrous purchases with Federated Metals Division of American Smelting and Refining Co., 120 Broadway, New York 5. In Canada: Federated Metals Canada, Ltd., Toronto and Montreal.

FEDERATED METALS DIVISION OF



ASARCO
AMERICAN SMELTING AND REFINING COMPANY

Vanadium Corp. Plans To Merge with Keokuk

New York—The merger of Keokuk Electro-Metals Co. into Vanadium Corp. of America hinges on the approval from stockholders of both companies.

Keokuk is a large producer of electric furnace silvery pig iron and other alloy. Its plant is located at Keokuk, Iowa. Vanadium Corp. mines vanadium, chromium, uranium, and manganese ores. It also processes ferroalloys of chromium, vanadium, manganese, titanium, silicon, and columbium at its plants in New York, Ohio, and West Virginia.

Kaiser to Move Sales Office to Oakland, Calif.

Chicago—Kaiser Aluminum & Chemical Corp. will move its general sales offices to Oakland, Calif., within the next few months to bring sales, management, production, and market development under one roof.

The change promises faster service to customers and quicker decisions on problems involving more than one department. Kaiser Aluminum also will maintain its present regional and district headquarters here.

Republic Supply Buys Gar-Bro Wheel Co.

Los Angeles—Republic Supply Co. has purchased Gar-Bro Wheel Co., manufacturers of industrial wheels.

Gar-Bro Mfg. Co., a division of Garlinghouse Brothers, will concentrate on manufacture and sale of Gar-Bro concrete handling and placing equipment for the construction line.

Acquires New Division

Elizabeth, N. J.—American Metal Products Co., Detroit, has purchased Davis Engineering Corp. Under the new setup, Davis Engineering becomes a division of American Metal. The transaction is termed a step in the parent firm's diversification program.

Shipment by Freight Forwarders Has Its Advan

Forwarders Ship L.C.L. Quantities at Through-Car Speed and Directness

Single Reference Number Assigned Each Shipment Eases Expediting

They Assume Full Responsibility for Goods Covered by Bill of Lading



← 1. Carload Service on L.C.L. Shipments

Keystone service claim of freight forwarders is that they ship L.C.L. quantities at through-car speed and directness—at approximately L.C.L. rates. Picture here shows a yard locomotive pulling loaded cars from a forwarder's receiving terminal for hook-up with through trains. In these cars are many L.C.L. shipments picked up by forwarder's trucks from many factories. These shipments have been consolidated, by destination, and will roll with carload direct routing to forwarder's distribution terminal. Bulk will be broken at this terminal, and individual shipments will be delivered directly to consignees by forwarder's trucks.

Forwarders are able to offer this through-car service at approximately L.C.L. rates because they retail, to shippers, transportation they have bought wholesale.

One reason many P.A.'s specify shipment via freight forwarders: L.C.L. quantity buyers, already often having paid a premium on their small purchase volume, cannot afford premium shipping rates to get material into their plants quickly. Also, in these days of tight inventories, faster shipments at non-premium rates often reduce "calculated risks" of such inventory policies.

3. Minimized Loss and Damage

Shipments received by freight forwarders move from consignor to consignee with a minimum of transfers and handling. One large forwarder has found that 91% of the shipments they receive move to their destinations without transfer (except truck-terminal transfer). This reduced handling and transfer of shipments is the reason given by forwarders for their relatively small loss and damage claims.

The picture on the right depicts a service aim of forwarders—direct truck-to-freight car handling of shipments. Variety of package units in car also shows L.C.L. nature of carload. Average shipment received by forwarders is about 400 lb. Shipments range in weight to about 20,000 lb. Forwarder service is available on loads much smaller than average noted.



antages

Commodity: Machine Parts (NOIBN), Iron or Steel, per 100 lbs.						
From: New York, N. Y.						
To:	via	Forwarder	Railway Express	Truck	Straight Rail	Air Freight
San Francisco, Calif.....		\$7.31	\$23.55	\$7.31	\$9.67	\$27.90
Houston, Texas.....		5.71	16.34	5.02	5.68	17.70
Chicago, Ill.....		3.93	12.26	3.93	3.84	8.10
Miami, Fla.....		4.97	13.87	5.32	4.86	13.80
From: Los Angeles, Calif.						
Chicago, Ill.....		\$5.57	\$19.14	\$5.57	\$8.06	\$11.60
New York, N. Y.....		8.15	24.00	8.15	9.67	19.90
Miami, Fla.....		9.48	22.62	9.86	9.67	29.35

Rates shown apply per 100 lbs. from door to door except Air Rates which apply from airport to airport only.

NOTE: Freight forwarder transit time is equivalent to carload service since their L.C.L. loads move in direct carload. In effect, forwarders provide carload service at L.C.L. rates.



2. Ease of Tracing and Expediting

This second claimed advantage of freight forwarders is largely based on one-carrier responsibility. As each shipment is received by forwarders, they assign a single reference number to it. This number is all that is needed to trace or expedite a shipment. Consignee's copy is air-mailed when shipment is picked up at plant of consignor. Either party is in a position to trace a shipment easily.

This tracing advantage is highlighted in picture showing P.A., with single reference number in his hand, calling local office or terminal of forwarder. Latter teletypes trace request data to forwarder stations on route of shipment. Confusions caused by multi-carrier routing are eliminated as in forwarding there is only one-carrier responsibility.

Tracing ease is one reason why forwarding has become important element in transportation picture. In 1957 (last full year figures available), forwarders handled almost 25 million shipments weighing about 4.3 million tons.



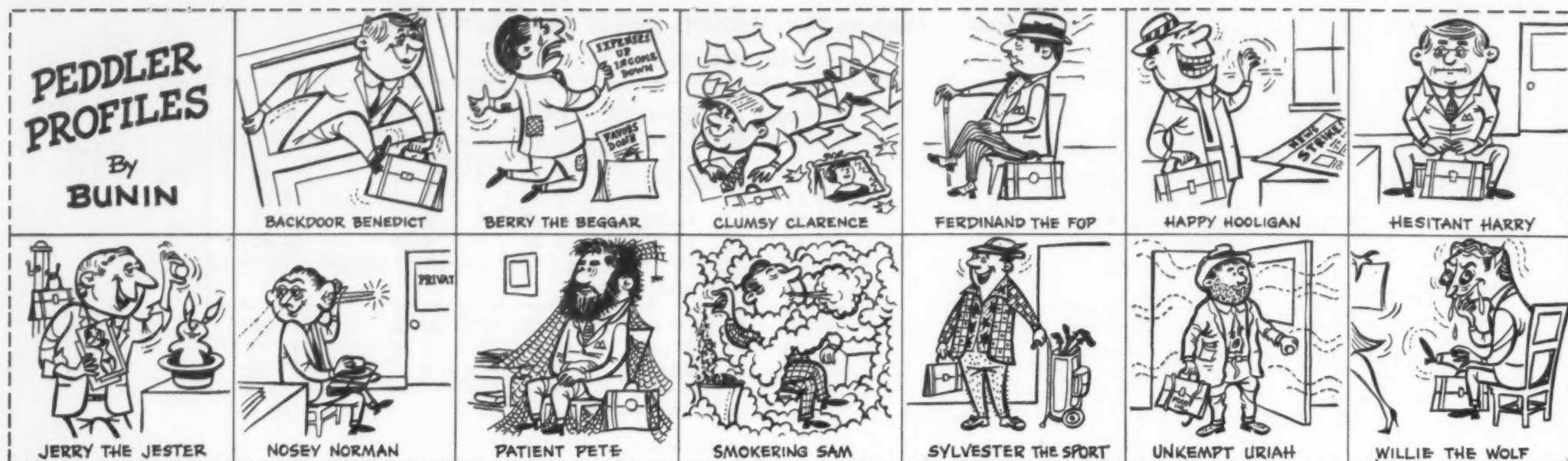
4. Ease of Claims

Claims procedure for shipping loss and damage is streamlined due to one-carrier responsibility of forwarders. Forwarders carry insurance coverage for loss and damage claims. The policy of many forwarders is to settle claims within one month.

Picture at right shows a forwarder's claim investigator checking portion of damaged shipment with a consignee. Forwarders assume full responsibility for material covered by the bill of lading, from pick-up at shipper's door until freight is delivered to door of consignee.

An additional advantage cited by forwarders is reduction of paper work by shippers and consignees. Only one bill of lading is needed to cover shipment from door-to-door. Also, only one freight bill is issued.





If You're in Purchasing, You'll Recognize Them

By W. H. (Willie the Worrier) BUNIN
Director of Purchases
The Toni Co., St. Paul
Division of Gillette

Here are 21 personalities that perhaps you have met as salesmen or that salesmen have interviewed as buyers.

This contribution from my own experience is not meant to be derogatory. It is in recognition of the humor, warmth, and good fellowship these purveyors of goods bring to their more confined purchasing adversaries.

Back Door Benedict—Sees the janitor for sweeping compounds, the night watchman for flashlight bulbs. Generally enters business premises rather unconventionally through basement windows, over transoms, through any open back door, or squeezes through enlarged crevices. Never heard of a P.A. but manages to find out who he is after "missing the order he was promised."

Benny the Bore—He's the guy with the monotone voice. He uses the same recording at each interview, the same joke, the same canned sales talk but dif-

ferent weather reports. You fight back with the same yawns.

Berry the Beggar—You remember him—always pleading for the order "you promised him." "Business is way behind last year. I need the order. Please—the Sales Manager is on my neck. My expenses are up—my income down." Brings up all his favors since the beginning of time to make you feel obligated.

Blabbermouth Basil—To him "confidential" means something your competition should be advised of. "Secret" is the same thing, except do it quicker.

Clumsy Clarence—(often referred to by his friends as Jack the Tripper) Often your first "face to foot" meeting is in your office (late in the day) with Clarence lying in a pool of flesh all over your office floor. His frantic efforts to pull himself up by hanging on to your waste basket and file drawer prompt an avalanche of paper. He also manages to knock over your prized family picture, breaking frame as he reaches for and pushes off desk filled ash tray and pitcher of water. Naturally the matron has left for the day, and you must take hurried business trip, causing office rumor of drunken brawl that must be left for explanation until you return.

Condescending Conrad—Drops in to see the P.A. only because he's selling a very competitive product. Even there he questions the buyer's knowledge of the product he is selling. He's also a name dropper. He had lunch with George (that's your executive vice president). Played golf with Montmorency (your advertising veep). He really calls on you only because organizationally there appears to be no choice. Also, there is a "remote" possibility that you as the buyer just might have "something" to say about where business goes.

Ferdinand the Fop—Picture him with the pompadour and pencil line moustache. He reeks of lavender—in his hair and in his garb. Still wears spats, sports a cane and a homburg. Right out of Esquire, March 1927 issue.

Forgetful Freddie—"Sorry I'm late. Forgot about our appointment." "About that order?" "What order?" "I'll have to write that down. Where's my pencil? Must have left it in the waiting room. How do I get back there?" Goes out to get it and forgets to come back.

Genius George—Need two weeks delivery on a locomotive? He can get it. Looking for square pegs that can fit into round holes? He can find them. Need an idea? He's got it. Want to save a buck? He'll show you how! He's Mr. Problem Solver, Esquire. His major commodity is "quality salesmanship."

Happy Hooligan—He's the smiler—all teeth. He's "walking

sunshine." He is also ever an optimist. "Don't worry about it! The strike will be over in time for your delivery. Prices won't go up. Everything will be o.k." —(and it usually is!)

Hesitant Harry—He waits for you to talk first. If you don't open your mouth, he'll sit there and stare. When he does speak he leaves cavernous quietudes between his occasional verbal gasps—perhaps hoping you will fill in these non-refreshing pauses with a suggestion of an order.

Jerry the Jester—Asks information clerk to tell P.A. that Mortimer Q. Flobberquist, shoe lace peddler, is calling. Your clue to your caller, of course. He's the guy with the latest shady joke or off-beat quip. He has a pocket full of "post cards" and a fist full of tricks. One visit from him gives you a six month inventory—of quality jokes, puns, and anecdotes.

Nosey Norman—Everything's his business. He's often called "The Pumper." His eager and X-ray eyes scan every paper on your desk. As he sits in the waiting room his microphone-like ears detect every bit of conversation and his Univac-like brain seems to shuffle all of these various bits into their proper mental channels which are filled in by his perennial probing and pumping.

Order-taker Oscar—Works like a beaver until he gets the order, and then forgets he ever heard of you. The very next time he contacts you is when you have threatened cancellation, and then again he is a work horse until delivery is made. Again he's silent and unavailable until your quality complaint to his principal might cause him to loose his commission. Again he is Johnny-on-the-Spot until that matter is resolved.

Patient Pete—Old faithful—Has called on your firm steadily since the fall of 1936. He makes a "Muskie" fisherman look like a fidgety neurotic. Never has an idea, but every Tuesday at 10 A.M. like clockwork there he is, still hoping to get an order.

Quiet Quincy—Speaks so quietly, usually in a whisper, that if any papers are accidentally

shuffled in the outer office you miss his sales pitch completely. After a visit from him the buyer generally makes an appointment with the ear specialist to obtain assurance that he really isn't getting deaf.

Smoking Sam—Enters office looking like a steam engine. His head is in the clouds—of smoke. While he is in the office it looks like a Turkish Bath and smells like a nearby saloon. Business is discussed betwixt his exhalations and your inhalations. He uses the waste basket for an ashtray and is soon filling it up.

Sylvester the Sport—Hawaiian sport shirts in shrieking chartreuse and passionate purple are his nemesis. His jacket makes Joseph's Biblical multi-hued coat look like a mortician's mantle. He is a walking "sports-lopedia" and at the drop of a requisition knows how many double plays the Boston Braves had in 1917 or the complete football scoring record of Kent College in 1932. He's also known as the "Let's knock off," boy—to go golfing, bowling, or just watching the local AA team play baseball.

Unkempt Uriah—You're first aware of his presence as the fragrant aroma of a men's locker room permeates your office. His suit looks like it was pressed on a radiator. Still has last week's salad on his tie. His shoes appear to have been polished with a file. He is the only salesman I know with 8 o'clock shadow, and believe it or not, he sells sanitary supplies.

Willy the Wolf—Flirts flip-pantly with receptionist. Drools dangerously with each movement of your secretary's well-turned ankle. Ogles obnoxiously every office female. Women are referred to as Dames, Broads, or Chicks. His verbal experiences with the opposite sex seem to be endless.

Yacking Yancey—It's the "noise" you first hear as the elevator door opens, and it continues unabated through the lobby, into the waiting room, and into the office. Accelerates itself during his one-sided interview and doesn't "turn off" (as far as you can tell) until the elevator closes behind it.



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The Hed-Rite headgear may be worn with any face shield, helmet, hood or goggle equipped with CESCO X-12 brackets. Headgear is instantly detachable from helmet or shield without the use of tools. There is no electrical conductor between the interior of the headgear and the exterior of the shield or helmet.

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CHICAGO EYE SHIELD COMPANY
2723 W. Roscoe St.,
Chicago 18, Illinois

Foreign Perspective

APRIL 6-12

Moscow—A Russian office has been opened by Rand Development Corp. to study Soviet technical and scientific developments for possible use in United States.

The office was established at the close of a 15-day visit here by team of Rand development consultants. They came to Russia for a firsthand look at Soviet progress in chemistry, physics, medicine, communications, and geology.

Status of negotiations on any given development still is confidential, but these are the projects which Rand underlines as of primary interest:

- New kind of refrigerator whose operation is based on semiconductor elements.
- Medical instruments allowing autotransplantation of organs.
- "Electric sleep" machines which induce normal sleep without narcotics.
- Information translation and reading machine featuring internal storage instead of tape reading.

Rand also was impressed enough with Soviet cancer research to arrange for two Russian scientists to come to America this summer to work in its Cleveland laboratories.

• • •

London—Chances of a British general election before summer have been increased with the news that unemployment here has dropped by 58,000 in the past month.

This unemployment drop was the biggest monthly decline since 1947 and represents a percentage fall from 2.8% to 2.5%.

This good news may lead the Prime Minister to seek an election mandate prior to the proposed summit meeting with the Soviet Union and his Western allies.

The government noted that Britain's unemployment percentage of 2.5 was the lowest among Western nations.

The following figures were given for other nations: Italy and Canada 8.9, Denmark 8.3, Belgium 7.2, United States 6.1,

Western Germany 5.6, Sweden 4.3, Norway 4.0 and Netherlands 3.2.

• • •

Vancouver—Lumber glut is worrying some west Canadian forest officials.

Peter T. Sinclair, president of

Crown Zellerbach of Canada Ltd. recently summed the problem up by noting that "more vigorous marketing activities" are needed to combat over-production. He urged that increases in operating costs should be resisted by producers with "the utmost vigilance."

Explaining the over-supply situation currently facing the industry, Sinclair said that the anticipated long-range demand for pulp and paper products has not yet "fully materialized."

"Installation of the most efficient type of process equipment adds considerable capacity, often

more than is immediately needed," he said.

The lumber executive added "It is estimated that the Western world will have a reserve of newsprint capacity for at least three years—1959 capacity being large enough to meet projected demand through 1962."

• • •

Belgrade—Yugoslavia is continuing its drive to step up trade with Western nations.

In two recent moves this Balkan nation has announced trade deals with England and Argentina.

The agreement with the British involves the importation into Yugoslavia of 5,000 tractors (worth \$8.7 million) and diesel engines to power them (worth \$1.7 million).

The Argentinian deal involves exportation of 6 ten-thousand-ton freighters to the Buenos Aires government. They will cost a total of \$23.7 million.

Both deals are aimed at bolstering the Belgrade economy. The tractors will aid agricultural development. And the ship deal will provide badly needed work for Yugoslav ship yards that have not been faring well.

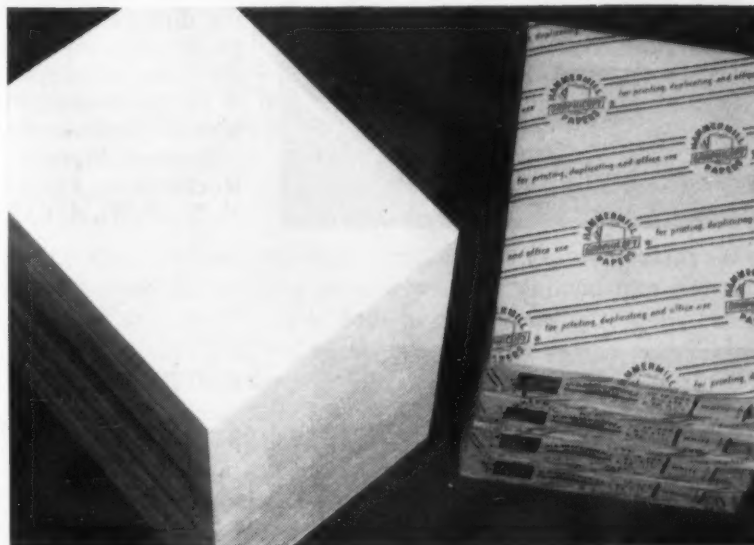
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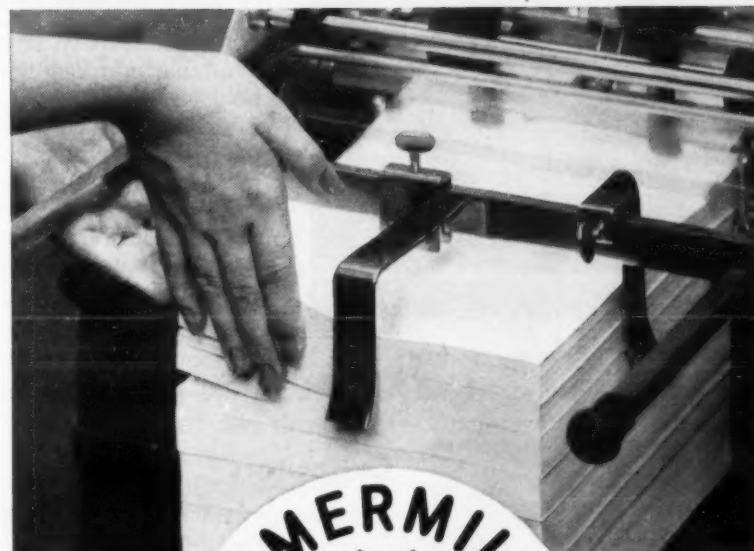
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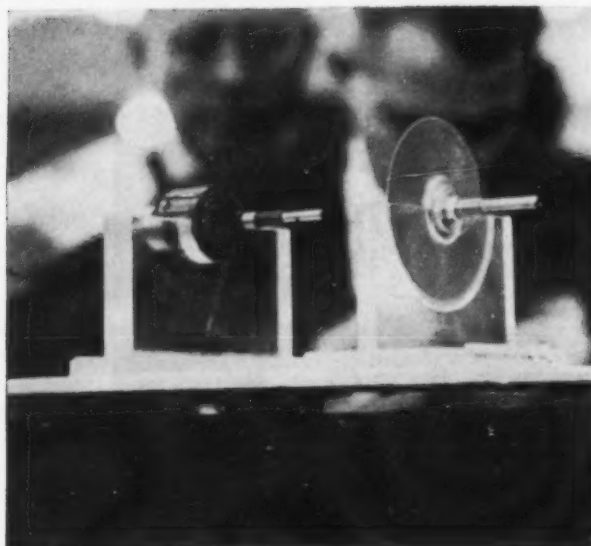
189 VAN RENSSLAER ST., BUFFALO 10, N. Y.

Here's your weekly guide to . . .



As Seen at the I.R.E. Show

The products in this week's New Products Guide were chosen by the editors from among the hundreds introduced at the Institute of Radio Engineers Show held March 23-28 at the New York Coliseum.

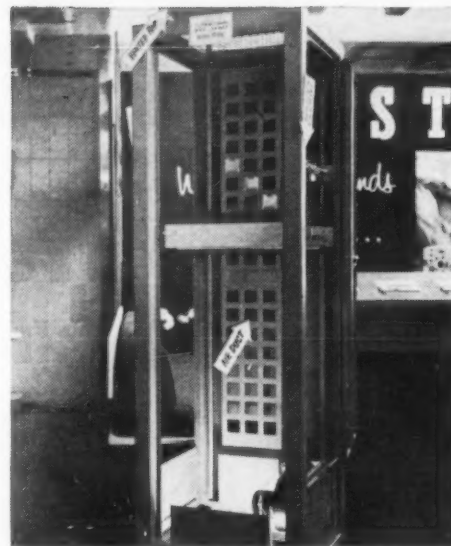


Printed-Circuit Motor

Light Weight Armature

New design concept replaces conventional wire windings in armature with printed circuit parts. Armature weighs only fraction of standard unit and has low inertia and high torque at low speeds. It is well suited for direct drive in servo applications, tape transports, and data processors.

Price: Evaluation models \$300-850. Delivery: 4-6 wks.
Printed Motors, Inc., 30 Rockefeller Plaza, N. Y., N. Y. (P.W., 4/6/59)

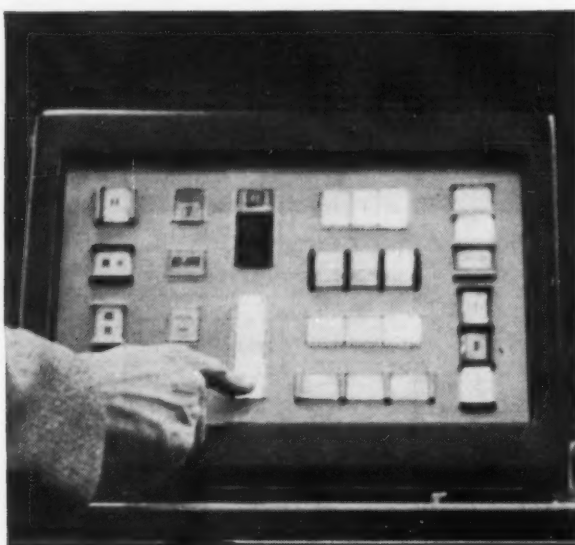


Rack Cabinet

Designed for Many Uses

FT-192 is a standardized rack cabinet of formed construction that is designed to make it easier to use unusually heavy loads. Stable anchoring points are provided for components and chassis. The blower system is designed so that filtered air enters the lower portion of the cabinet, circulates and cools components throughout the entire cabinet, and is exhausted through a specially designed vent at the top. The cabinet is available in steel, magnesium and aluminum.

Price: \$300-350 (steel). Delivery: 8 wks.
Falstrom Co., 301 Falstrom Court, Passaic, N. J. (P.W., 4/6/59)



Switches

Offer Versatility

Series 2 lighted display and pushbutton switches can be arranged in any combination of units. They can be assembled without tools. Five colors of display screens are available and 2-4 lamps can be used in each. Switches are offered from 8 different series of Micro-Switches and can meet most requirements.

Price: \$8-20 (depending on poles). Delivery: 8 wks.
Micro Switch Div., Freeport, Ill. (P.W., 4/6/59)



Ac. Voltmeter

Fully Transistorized

Battery powered, compact, Ac. voltmeter has a high input impedance, and broad frequency response. It was designed for field maintenance, production line, and laboratory use. It can measure from 100 micro-v. to 300 v. Rrms. on 12 scale ranges. Battery life is over 400 hr.

Price: \$165. Delivery: immediate.
Motorola, Inc., 4501 W. Augusta Blvd., Chicago 51, Ill. (P.W., 4/6/59)

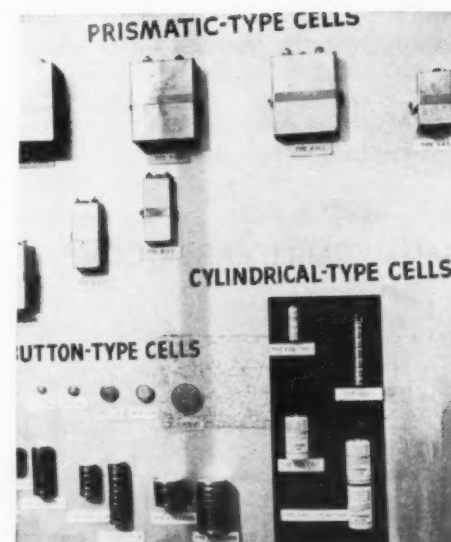


Capacitors

Have Radial Lead

Radial lead CY17C capacitor brings capacitance value in the radial series to 1,200 μf at 50-300 vdcw. Thin design of $\frac{5}{16}$ in. is engineered with leads to permit axial, radial or edge mounting. The dissipation factor is less than 0.0005 with a Q over 2,500. Insulation resistance of the capacitor is greater than 50,000. This new series is a higher capacitance extension of the model CY13C series which was previously available.

Price: 20¢-70¢ depending on capacitance and quantity. Delivery: 6 wk.
Vitramon, Inc., Box 544, Bridgeport, Conn. (P.W., 4/6/59)



Batteries

Cannot Be Overcharged

Sealed Nicad batteries are rechargeable, small in size, require no maintenance and operate in any position. The construction of the battery makes overcharging impossible. The cells exhibit a low loss of capacity at extreme operating temperatures ranging from -20 C. through +50 C. Momentary discharge as high as 25 times rated capacity is possible because of their low internal resistance.

Price: From \$1. (50 ma.-hr. button), \$2.80 (450 ma.-hr. cylinder) and \$10. (2.7 amp.-hr. prism). Delivery: 30-60 days.

Gould-National Batteries, Inc., St. Paul, Minn. (P.W., 4/6/59)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



Silicone Rubber

Sets Quickly

Silastic RTV 502 is a fluid, quick setting silicone rubber that will vulcanize at room temperature in about 30 min. It has good insulating properties, and is useful for potting and encapsulating electronic parts, and as a shock and vibration absorber for delicate components. It can also be used for making molds.

Price: \$4 lb. Delivery: immediate.

Dow Corning Corp., Midland, Mich. (P.W., 4/6/59)



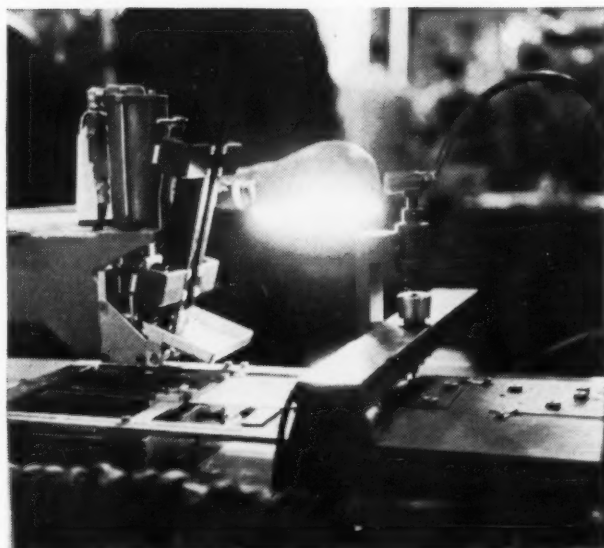
Standard Solar Cells

Check Efficiency

Silicon solar cells are specifically designed for calibration of artificial light sources in terms of solar energy radiation. Manufacturers can use them to evaluate other solar cells for efficiency, without needing a complex light measuring device. The cells are mounted in a shock resistant housing and protected by optical glass windows. Thermocouple leads are attached for measurement of cell temperature.

Price: \$50. Delivery: immediate.

International Rectifier Corp., 1521 E. Grand Ave., El Segundo, Cal. (P.W., 4/6/59)



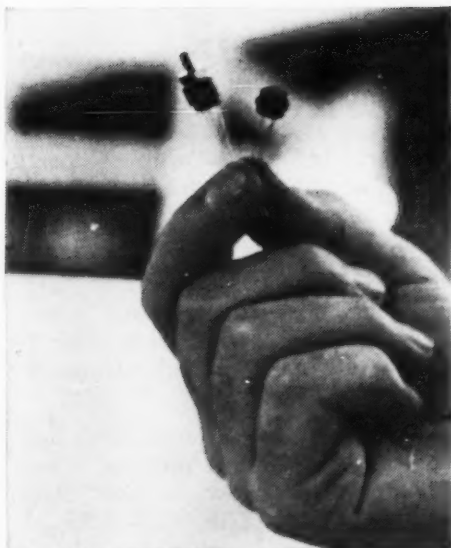
Inserting Machine

For Printed Circuits

Panto-Sert is single station machine that automatically inserts all like components into the proper holes in a printed circuits board in a single pass. At the same time it cuts and crimps the leads under the board. Uses an ordinary printed board for a template.

Price: \$2,975. Delivery: 6-8 wks.

Design Tool Corp., 722 Bergen St., Brooklyn 38, N. Y. (P.W., 4/6/59)



PNPN Switch

Has High Speed Action

Silicon pnnp controlled switch makes possible high-speed medium-power switching in a wide variety of applications. Within their power ratings the 3A series can replace magnetic amplifiers, thyatrons, tubes, semi-conductor diodes, rectifiers, and transistors. Voltage ratings are up to 200v., peak current ratings are up to 1 amp. Typical turn-on time for the switch is 0.2 sec.

Price: \$33-60 depending on quantity. Delivery: 2 wk.

Solid State Products, Inc., 1 Pingree St., Salem, Mass. (P.W., 4/6/59)

This Week's

Product Perspective

APRIL 6-12

Space is becoming the province of electronic designers. This was the inescapable conclusion drawn from last month's Institute of Radio Engineer's show and convention.

On view were the designers' new equipment concepts and new techniques. Purchasing executives in related industries will soon be wrestling with them.

Reliability, for one, will involve purchasing deeply.

Failure of a single tiny component voids many months of work and dollars of investment. So reliability will be cultivated keenly with new emphasis on reaching reliability goals while the equipment is still in the development stage.

For purchasing it means more stringent control over purchased parts to insure that they meet engineers specifications. Old methods of control will have to be improved and new ones devised to meet the peculiar needs of electronic parts. Reliability also stresses more than ever before a knowledge of vendors and their capabilities.

One new approach to reliability uses redundant circuits. Two or more identical circuits make up a redundant system. If one fails, the other takes over. In some ways the concept parallels living organisms; frequently they contain duplicate facilities. But usually the duplicate doesn't remain idle; it performs some other function while it stands by.

This is the problem designers face. Redundant systems are costly, wasteful of space, and difficult to maintain. The designer's goal is to imitate nature and make part of the redundant system carry some of the load.

Present thinking is to have the system continually analyze itself, detect any failure, report it, and compensate for it. The whole idea is complicated by the fact that new systems for missiles and high-speed aircraft are complex and fast operating.

Another concept—microminiaturization—is rapidly taking shape. The functions of many electronic components are crammed into one unit—sometimes called a module. A cubic foot of such units is roughly the equivalent of a 9 x 12-ft. roomful of conventional components.

About two years ago many electronics manufacturers completed a big change over to printed circuits. They eliminated the maze of wires and components jammed into conventional chassis.

Now printed circuits are beginning to give way to microminiaturization. Techniques are by no means fully developed. Basically they involve depositing one thin layer of material upon another until a unit is built up that will function as part of a radio, T.V., radar, computer, etc.

The first units will go into missiles and other military gear. But the not-too-distant future should see them in cheap, compact, and virtually trouble-free consumer products.

The Air Force is studying a throw-away maintenance concept for electronic equipment that may have considerable potential for other products. It took a representative radio and analyzed it for spare parts requirements, failure rate, supply time, availability, number of subassemblies. These plus other factors were pushed through a computer.

The computer's results were studied for design problems and weak points. These were replaced by throw-away components. Cost estimators then took the design and evaluated it for distribution, operation, and shortage costs.

Finally the two designs—the original and the throw-away—were cost compared. The conclusion: the throw-away concept generates better reliability and maintainability and at lower costs.

Despite talk that printed circuits would give way to miniaturized components in many designs, printed circuits are about to move into a brand new area—electric motors. In one design, instead of the conventional armature, a printed circuit is used. It's a thin flat disc with the electrical characteristics needed to produce power.

These are its advantages: eventual low cost, low inertia, smooth commutation, high temperature operation, and wide horsepower range.

Development units are available. So far the auto people and hand-tool manufacturers are interested. But while production quantities are not available the price will stay high. A 1/4-hp. motor, for instance, sells at \$650.

Your Guide to New Products

(Continued from page 21)



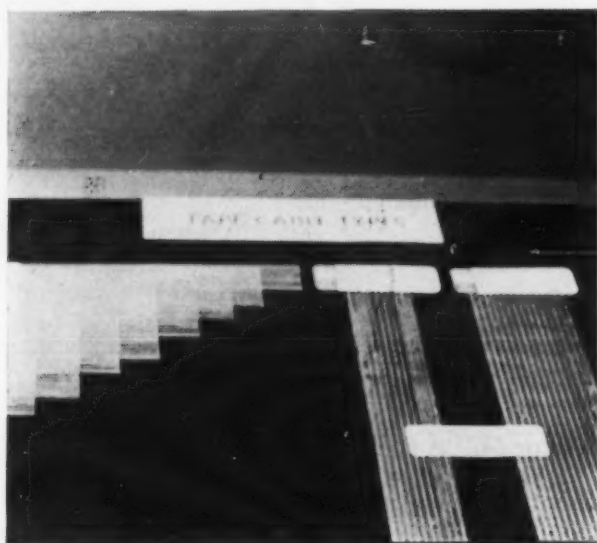
Operations Monitor

Records Information

Re 3303-00 monitor records 30 channels of information providing a chart record of all operations and their duration. It is ideal for monitoring operation of valves, motors, pumps, etc. Electric writing gives a dry, instantaneous and permanent record. It weighs only 20 lb.

Price: \$1,175. Delivery: 45 days.

Brush Instruments, 37th and Perkins, Cleveland, Ohio. (P.W., 4/6/59)



Tape Cable

High Speed Wiring

Tape Cable is a thin flexible polyester ribbon in which flat, copper electrical conductors are embedded. It can be used for making harnesses and cable assemblies by laying one section on top of another and soldering the desired conductor intersection through the insulation.

Price: 80¢ per ft. (14 conductor). Delivery: immediate.

Tape Cable Corp., 790 Linden Ave., Rochester, N. Y. (P.W., 4/6/59)



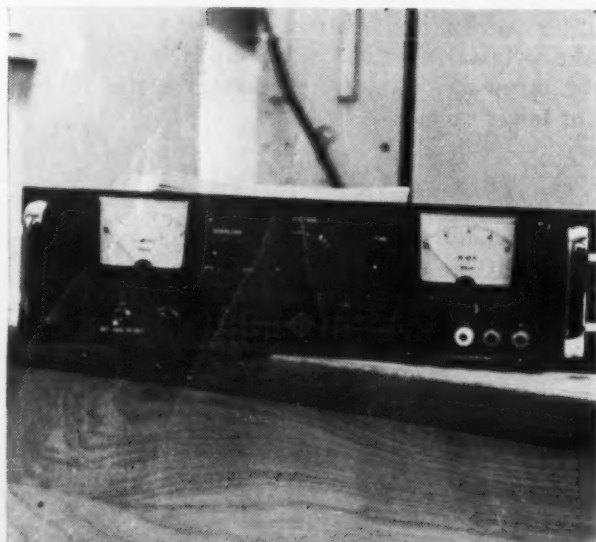
Battery

Can Power TV

Silcad battery can power portable TV or other electronic instruments. It combines the high power output of silver with the long life of cadmium. A 5-amp.-hr. battery weighs only 3½ lb. for a 12 v. supply. One sample has already been recycled over 200 times.

Price: Evaluation samples \$14 per 1.1 v. cell. Delivery: 4 to 5 wks.

Yardney Electric Corp., 40-50 Leonard St., New York, N. Y. (P.W., 4/6/59)



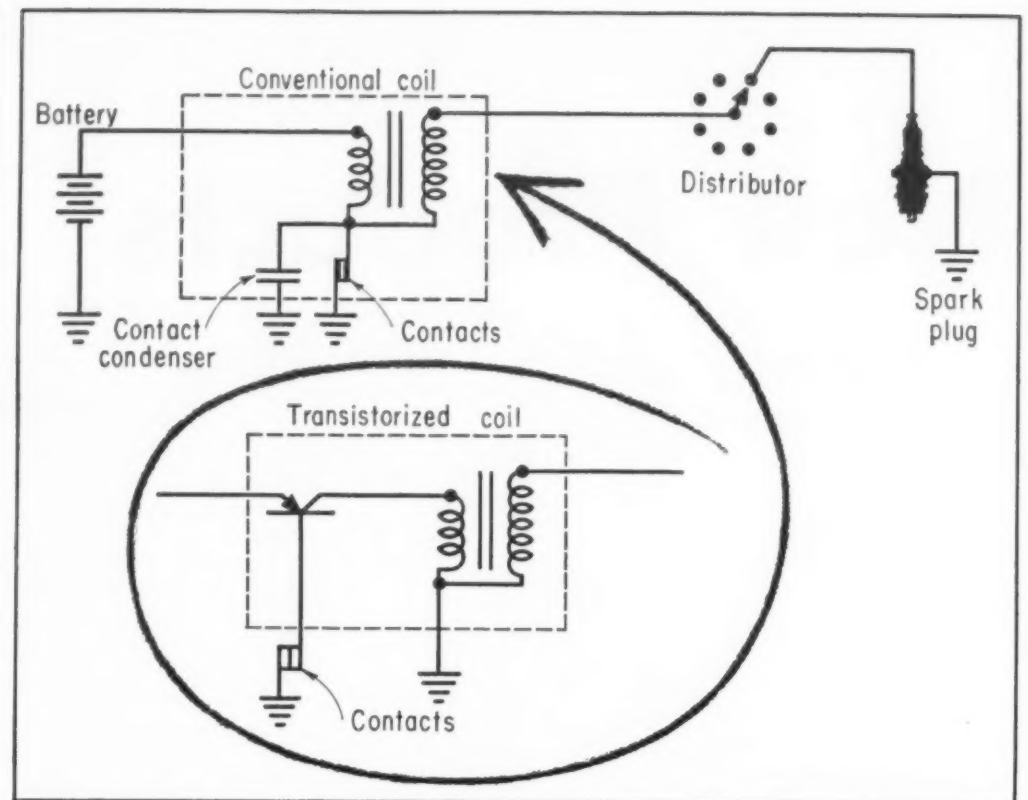
Power Supply

Gives Accurate Regulation

Model ME 36-5ME transistor power supply gives stable output voltages from 0-36 v. d-c at 5 amp. continuous duty. Line and load regulation is better than 0.1% and output can be limited to any value from 0 to 5 amp. through a front panel selector.

Price: \$610. Delivery: 3 wks.

Mid-Eastern Electronics, Inc., 32 Commerce St., Springfield, N. J. (P.W., 4/6/59)



NEW TRANSISTORIZED gasoline engine ignition coil (bottom) replaces conventional system and eliminates need for ignition maintenance prior to regular engine overhaul.

New Transistorized High-Voltage Ignition Coil Developed to Minimize Maintenance

A transistorized high-voltage ignition coil that eliminates ignition maintenance until it is time to overhaul the entire engine has been announced by the Electric Auto-Lite Co. of Toledo, Ohio.

Purchasing agents buying gasoline motors for use in oil fields, air conditioning systems, irrigation systems, pumping stations, and similar installations may find this coil worth evaluating.

The product was primarily developed for fleet owners who consider downtime for constant tune-ups a major operating cost. In addition to the replacement market, the new coil is attracting interest among foreign car manufacturers who believe that their customers are willing to pay a small premium for peak ignition performance throughout the speed range.

The new unit is expected to be used in any application where the initial cost of the system is outweighed by its savings in operating costs. Immediate use is expected on industrial engines, marine engines, military vehicles, commercial fleets, farm equipment, and wherever system long life and superior performance is necessary.

It is contained in a single package slightly larger than the conventional coil which it replaces, and can be installed in any battery ignition system in a matter of minutes. The company plans to market the coil in about six months at a cost of approximately \$45 each in fleet lots. Evaluation units are now available.

The little "points" or contacts in a gasoline engine take the electricity from the battery and distributes it to the spark-

plugs causing each cylinder to fire at the correct time. These points open and close 24,000 times a minute at freeway speeds.

Although only about 4 amp. of current passes through the points in a conventional system, as they open and close current density in the points reaches a fantastic rate of 1-million amp./sq. cm. The temperature at this time reaches 6,100 F; somewhat above the melting point of the tungsten material.

Obviously, each time the points open and close there is a tendency for the two sections to weld together. This continuing damage is accelerated by about 12,000 current arcs each 100 mi. These raise the temperature at the point of contact to over 10,000 F. This is why points wear and must be replaced every 10,000 miles.

The 4 amp. current used in conventional systems is a compromise used to achieve even this point life. Eight amp. would be desirable for efficiency, but a vehicle so equipped would hardly reach the edge of town.

The transistor ignition coil reduces the current through the points by a factor of 40, but once through the points, the characteristics of the unit cause the current to return to its original value (the ideal 8 amp.).

A notable secondary advantage is that peak voltage to the spark plug is maintained throughout the speed range. This means better engine performance. Formerly, this was possible only through an expensive combination of both magneto and battery ignition systems.

Purchasing Week Definition

How to Use the Word Plastic

A plastic is any one of a varied group of materials that consist of essentially an organic substance of large molecular weight. While solid in the finished state, at some stage in its manufacture it can be formed into various shapes usually through heat or pressure or both.

The Society of the Plastics Engineers offers:

Plastics—As an adjective modifying a noun which encompasses the field of plastic high polymers. Example: plastics industry, plastics buyer.

Plastic—As a noun to refer to a single kind of plastic high polymer. Strictly speaking a "plastic toy" could be made

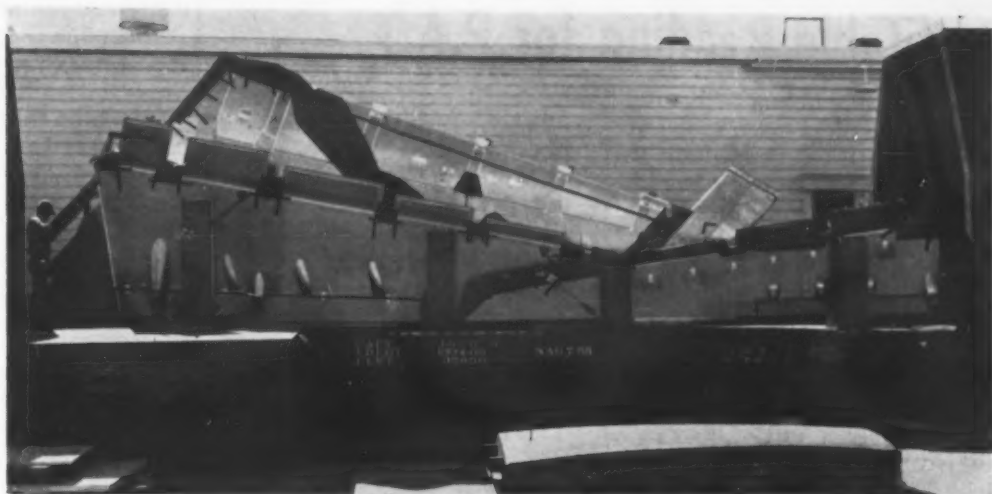
entirely of steel or even glass—but the common use of "plastic" as the name of a kind of material is so much more widely understood than "plastic" as an adjective, that it is generally accepted. But there are misunderstandings.

Plastics—As a noun to refer to the field of all plastics high polymers, with whatever adjective may be needed to delimit the area of reference. Example: inorganic plastics, polyester plastics.

Plastic—As an adjective meaning deformable by heat and/or pressure. This usually applies to materials other than plastics high polymers. (P.W., 4/6/59)



New flatcar for packaging tail components saves handling.



Two-section hood opens horizontally for easier loading.

Convair Division's Made-to-Order Flatcar Can Pay for Itself

San Diego, Calif.—Convair Division of General Dynamics Corp. has made a reality of a special flatcar for packaging tail components of the Model 880 jet airliner. Only a few months ago such a project was in the design stages as reported by P.W., Dec. 1, 1958, p. 14.

The rail-freight "first" is planned for economical in-transit and in-plant handling of the empennage. The cost of equipping the car for permanent use is only twice the cost of a single protective covering of indefinite life.

The large tail section now can be shipped safely from Crosley Division, Avco Mfg. Corp., Nashville, Tenn., to San Diego, Calif.

As originally planned, the special flatcar offers the following advantages:

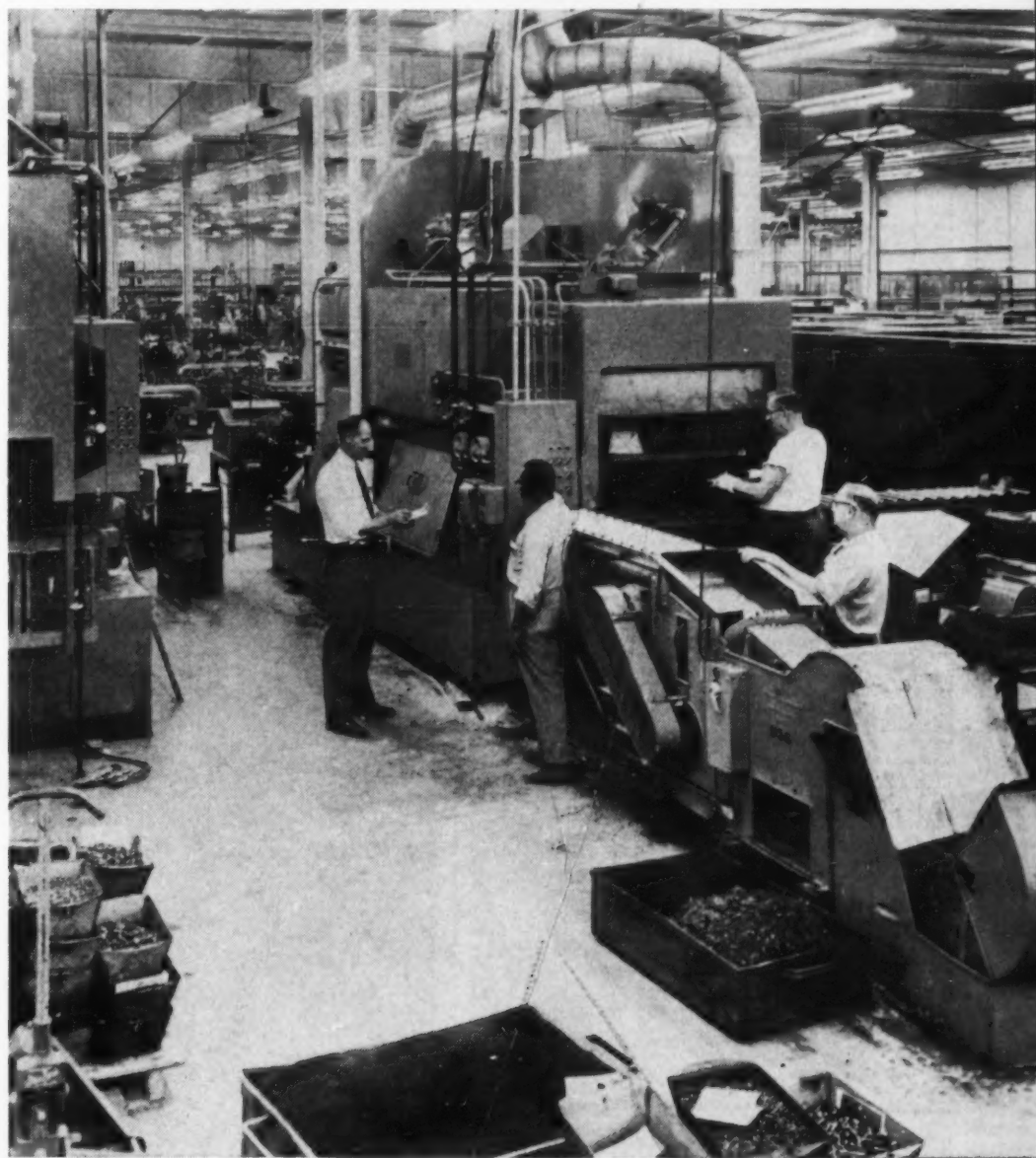
- Two-section hood of 22-gage steel. It opens horizontally from the center and rides a track along the long edge of the car.
- Ends are secured with locking devices which, when released for unloading, lower into a support position and sustain half the weight of the hood in the open position. Opening is effected by use of

an overhead crane which is then in position to load or unload the empennage.

- Stabilization of the individual components is obtained by permanent cradles and fixtures which lock parts into position as they are placed by the crane. These specially designed fixtures resist the usual damaging motions and frictions encountered in rail freight movement.

Here's how this made-to-order car can pay for itself:

- The steel hood eliminates in-transit damage caused by weather exposure, trespassers, and other unusual hazards encountered in a cross country trip in an open flat car.
- Freight charges are computed on the net weight of parts only, using the 6,000-lb. minimum.
- The car rides the return trip from San Diego to Nashville free of charge.
- Travel time of cars allows delivery of one complete unit every seven days.
- No material or labor is required for packaging or protective covering.
- Entire empennage arrives at its destination in a "factory fresh" condition.



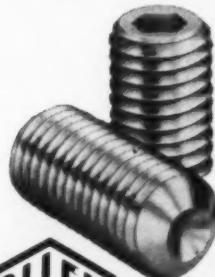
Better Cleaning means Better Socket Screws for You

from **ALLEN**

These new industrial washing machines wash every Allen product — after each processing operation, and before heat treating — to remove all abrasives and contaminants. After washing, a vibrating de-chipper (shown in the foreground) removes metal particles that may adhere to products in process.

These are among the great many special features in Allen's new plant that assure you of constantly higher quality in socket screws. More than ever, you'll find that ALLEN is the "Buy-Word" for socket screws, as well as keys, dowel pins, and pipe plugs.

The scientific design of the cup diameter on ALLEN-POINT Set Screws gives greatly increased resistance to withdrawal torque. You can count on Allenpoints to stay tighter longer, under heavy strain and vibrations. This dependable performance is yours to use at no premium in cost. Available in a full range of standard sizes from No. 0 thru 1". For samples and more information, ask your Industrial Distributor, or write direct to The Allen Manufacturing Company, Hartford 1, Connecticut.



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"Reynolds Aluminum Mill Products" is title of 18-page brochure. Starting with a description of the light metal's classic advantages over other materials, the brochure includes alloy and temper designations, fatigue and shearing strengths, and various alloys available in foil, wire, rod, bar, etc. Brochure enables buyers to pinpoint specific properties and apply them accurately to the desired end use. Copies are available from Reynolds Metals Co., Department PRD-1, Box 2346, Richmond, Va.

M/R (moisture-resistant) corrugated board is described in 4-page folder. It includes descriptions, specifications, and performance data to familiarize

shippers of wet products with M/R board and assist them in determining the proper grade M/R shipping box for their products. Tables detail the characteristics of the four M/R grades available for standard orders. Folder is available from Hinde & Dauch, Division of West Virginia Pulp & Paper Co., Sandusky, Ohio.

Medart bar and tube machinery is described in 18-page Booklet No. 2533-JJ58. Literature highlights billet peeling and chipping,

centerless turning, bar and tube straightening, stretch straightening, wire straightening and cutting, and roll grinding. Booklet is available from Foundry & Mill Machinery Div., Blaw-Knox Co., 300 Sixth Ave., Pittsburgh 22, Pa.

Substation transformers are described in 8-page Booklet No. CS-701. Illustrated booklet details construction features, standard accessories, and optional accessories of the units. It covers single and three-phase transformers up to and including 10,000 kva., through 69 kv. Copies are available from Kuhlman Electric Co., Birmingham, Mich.

Technical bulletins for purchasing agents, buyers, and engineers on latest advances in metal spinning are now available. Reports cover components spun and fabricated for a great variety of industries including missile, food and dairy, chemical, and farm equipment. They will be a continuing series. Bulletins are available from Spincraft, Inc., 4135 W. State St., Milwaukee, Wis.

High-velocity Electro-Cell electronic air cleaners are described in Bulletin No. 258A. It explains the electronic principle of operation, describes collector cell construction, gives details on basic design features. Copies can be

obtained by writing Department PD, American Air Filter Co., 215 Central Ave., Louisville 8, Ky.

Packaged water chillers for air conditioning and industrial cooling applications are described in 16-page Bulletin No. 8325. It outlines the advantages of the redesigned units and discusses and illustrates the outstanding mechanical specifications. Series of schematic wiring diagrams are included showing control panel wiring, control circuit wiring for city water operation and cooling tower operation. Bulletin is available from American-Standard, Industrial Div., Detroit 32, Mich.

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A P.W. Profile

Philip Del Vecchio Tracks Satellites For I.G.Y. from New Jersey Home

Tracking satellites and detecting solar flares is more than a hobby to Philip Del Vecchio. His Paterson, N. J., home is actually a scientific laboratory cooperating with the government, and known officially, by International Geophysical Year scientists, as Station No. 5022. Del Vecchio, P. A. for Benjamin Eastwood Co., a Paterson iron foundry and machine shop, has been commended by the Smithsonian Astrophysical Observatory, and his solar photographs hailed by famed scientists throughout the entire world.

Modest, self-effacing Philip Del Vecchio told a PURCHASING WEEK reporter his interest in astronomy was sparked when he was 11 years old. At that time he aspired to a Boy Scout merit badge, and he chose astronomy as his qualify-

ing field. After a few years his interest in astronomy was diverted by other activities—until his son, Robert, 12, asked him



DEL VECCHIO CHECKS satellite scope as his son, Robert, adjusts the tape recorder.

about a rifle range scope he had uncovered. Taking his son to the back yard, he showed him how to use the scope to look at the skies. He said, "Just remember, planets don't twinkle, stars do." Later, in excitement, his son told him he had seen Saturn. Del Vecchio, not believing a ten-power scope could detect the planet, took a look. The shining light was indeed Saturn, and father and

son were off in a new interest in astronomy.

Today, a small basement work room at the Del Vecchio home is cluttered with home-made and adapted optical and electronic equipment for detecting and tracking satellites and observing solar phenomena. On a desk there is a short-wave receiver for time signals from the National Bureau of Standards, and alerts from I.G.Y. world warning station at Fort Belvoir, Va. On a tripod stands a satellite-scope, made from a borrowed camera lens (F2.5 Aero Ektar) and a war surplus telescope. On another tripod stands a Japanese 150-power telescope with a built-in home-made camera shutter device. There is also an adapted all-transistor radio receiver with a chart recorder for tracing solar eruptions (duplicated in few observatories of the world). Nearby, an adapted oscilloscope shows a light pattern of sun eruptions. On a shelf there is a tape recorder donated by the Rotary to aid Del Vecchio in his work.

Not all Del Vecchio's astronomy efforts are for I.G.Y. He and his son have had correspondence and data exchange with various observatories throughout the world. Included, have been the Federal Observatory in Zurich, Switzerland, the Dublin Institute for advanced Studies, and the University of Michigan.

In three years Del Vecchio has taken over 1,100 photographs of the sun. Quality of these photographs has been widely acclaimed. Del Vecchio is particularly proud of a letter received from Dr. M. A. Ellison, then of the Royal Observatory in England, who, after examining his sun photographs, wrote; "Congratulations! I have never seen any professional photographs that were better except those taken at Mount Wilson and other high-altitude observatories."

Del Vecchio's talents and local renown have led him into other interests and ac-

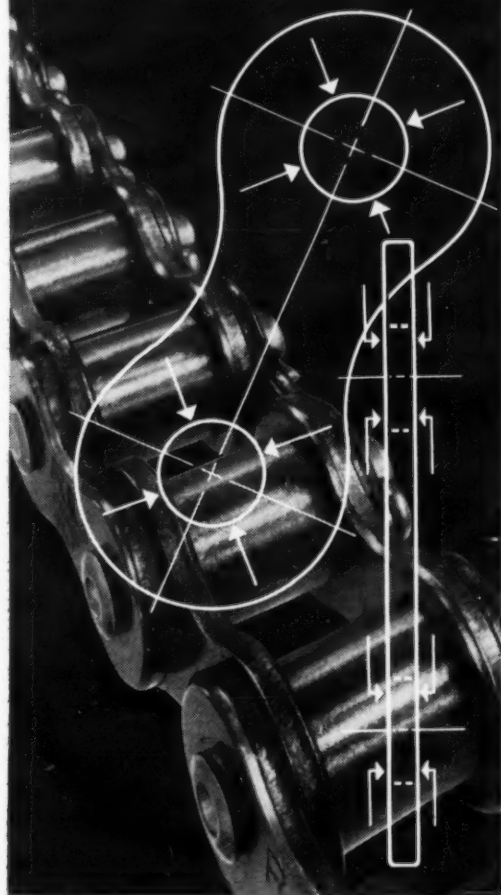
tivities. He is chief meteorologist for Passaic County Civil Defense. Too, for almost 30 years he has been an official observer for the U. S. Weather Bureau, sending to the bureau monthly reports on precipitation, temperature, humidity, wind, and other local data.

He also has assisted a Paterson high school in setting up a Moonwatch team (satellite tracking). Almost nightly, he receives telephone calls from parents seeking advice or guidance for their embryo scientist youngsters.

With all his vocational accomplishments, Del Vecchio is still proudest of his family. Mrs. Del Vecchio, an understanding wife and mother, shares this pride. Son Bob, who has aided Del Vecchio in his astronomy work, is a science award winner, and hopes to go to the Air Force Academy after high school. Philip, Jr. is a Phi Beta Kappa from Rutgers University, now an Air Force Lieutenant, and a senior student at Georgetown Medical School. A daughter, Joyce, is a student in St. Elizabeth College. Thirty years in purchasing has afforded Del Vecchio opportunities for his children, and an enriching avocation of his own.

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REX
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The Changing Purchasing Profession . . .



CHARLES W. SELOVER has been named manager of purchases, Eastern Chemical Division, Hooker Chemical Corp., Niagara Falls, N. Y. He will continue to administer the purchasing function for the Niagara plant and as manager of purchases, Durez Plastics Division plants, North Tonawanda, N. Y., and Kenton, Ohio.

Douglas W. Laird has been elected vice president in charge of purchasing, Virginia-Carolina Chemical Corp., Richmond, Va.

William R. Daily has been made purchasing agent for the Los Angeles plant of Square D Co. He replaces Philip Rypinski who became purchasing consultant for the plant.

George Aupperle, Jr., succeeds Truman R. Peters as purchasing agent, City of Idaho Falls, Idaho. Peters retired after 32 years' service in the post.

Richard E. Krafve has taken the new post of group vice president-commercial

with Raytheon Mfg. Co., Waltham, Mass. Formerly vice president of Ford Motor Co., Dearborn, Mich., he joined Ford as assistant to the vice president-purchasing.

Robert R. Klein has been promoted to purchasing agent, Los Angeles division, Van de Kamp's Holland Dutch Bakers.

Donald E. Wendt has been named manager of purchases for Burroughs Corp.'s new Military Electronic Computer Division, Detroit.

John S. McMullan has been promoted by Saco-Lowell Shops to purchasing agent, Gear & Machine Division, Sanford, N. C.

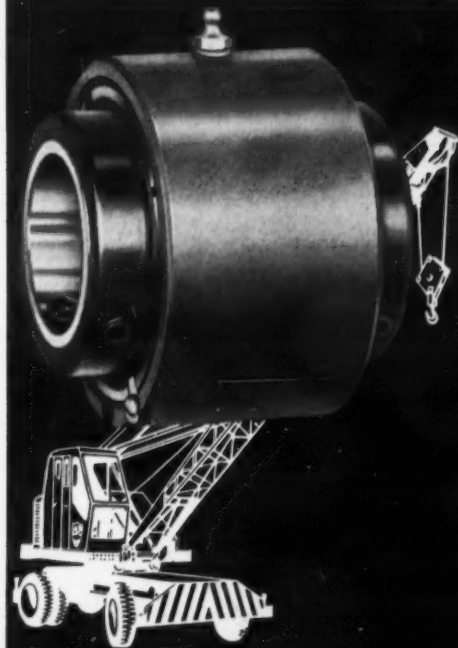
G. Louis Shearer has been advanced to the new post of manager of purchasing and stores, Pennsylvania Power & Light Co., Allentown, Pa.



EARL B. BOUB has joined Curtis Mfg. Co. in St. Louis as director of purchases, succeeding the late Timothy Levene. Boub formerly had been director of purchases, Star Mfg. Co., St. Louis. He is a past president of the Purchasing Agents Association of St. Louis and was a director of N.A.P.A.

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PARCEL POST could replace R.E.A. service for small package shipments under a girth of approximately 72 in.



FREIGHT FORWARDERS, non-profit shipping associations which have similar operations could also help the P.A.



BUS PACKAGE EXPRESS SERVICE is expanding operations, opening pickup and delivery service in numerous cities.

Railway Express Fate Less Than A Month Away

(Continued from page 1)
doomed late last year when the New York Central Railroad announced it was pulling out and other Eastern lines simultaneously acknowledged that they also were considering withdrawal. While the others are now wavering, the Central is sticking to its guns. It claims its deficit on the express service hits \$11 million a year.

The Pennsylvania, which has been riding the fence, last month suddenly attempted to win the agency an 11th hour reprieve. At a special meeting of R.E.A.'s board of directors March 19, the Pennsy proposed a new rate division plan which would give the Eastern lines about 7% more of the agency's operating revenues after costs at the expense of the lines in the other three geographical areas—Southern, Western, and Mountain Pacific.

How this sits with the other railroads could not be immediately learned. The only comment forthcoming—and that by an Eastern rail official—was: "It's a ticklish matter."

While Eastern roads haul some 54% of Railway Express business, they receive only about 25% of the revenues. This is one of the main "sore" spots.

William B. Johnson, president of R.E.A., made the situation even more perplexing last week when he asked the Interstate Commerce Commission to cancel a pending request for a rate increase of 3½%.

Totally Inadequate

The request, considered urgent and critical when filed last fall, is now called "totally inadequate" by Johnson. He told the commission that the \$12 million-a-year increase, even if made effective immediately, would be far below what is needed to bring express revenues in line with agency and railroad express costs.

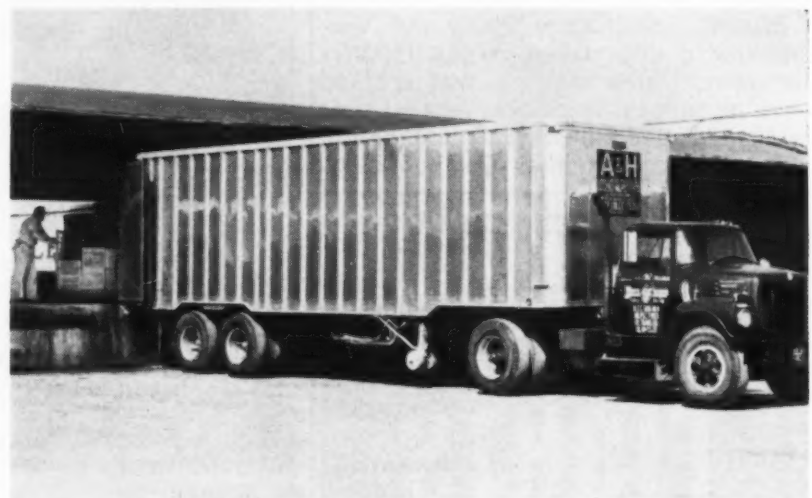
There was no immediate request for a higher rate boost. This could mean that the railroads now feel a rate hike is not the solution—that only a sweeping reorganization can spell survival for the operation.

"We're at the crossroads," Perry M. Shoemaker, president of the Delaware, Lackawanna & Western R.R. told PURCHASING WEEK. "We have to reach a decision sometime this month and it isn't going to be easy."

Shoemaker, who is also a di-



AIR FREIGHT offers speedy transportation but still poses the problem of pickup and delivery service. Cost for long haul shipments is low.



COMMON CARRIER TRUCK SERVICE may fill bill for local deliveries and could be combined with other shipping methods for longer hauls.

rector of R. E. A., said the express operation "can't just be abandoned without a serious attempt to keep it going on a better footing. Whether we can or not, we must at least try to save Railway Express."

One thing is certain, however, the agency's future must be charted by April 30, the date when carriers must give final notice of dropping out under the 20-year-old Standard Operating Agreement. An attempt is being made to extend the deadline to July 31, but as of early last week it had not proved successful.

Caused Much Concern

The situation has caused much concern to purchasing agents and other shipping men across the country. This was clear from their replies when PURCHASING WEEK queried them on their shipping plans should Railway Express fold.

In the Detroit area, both big and small firms expressed alarm at the threatened breakup of the agency.

Orrin D. Burt, traffic manager for Parke, Davis & Co., declared that "the Interstate Commerce Commission should review the situation which threatens the possible elimination of Railway Express service so that shippers would not be left without an adequate substitute organization."

"It is a vital matter, not only to Parke, Davis & Co., but to the pharmaceutical industry and all other industrial and retail fields," he said.

An I. C. C. official, however, recently stated that there was little if anything, the commission could do to ease the express problem. He also intimated that it is very possible the agency may pass out of existence.

Should this happen, Burt said he would use as a temporary measure parcel post, air freight, common carrier, and package de-

livery service. He added that "until another solution is found, it would cost us much more."

Leonard Kummer, traffic manager for Park Chemical Co., Detroit, said he also would face a serious problem should the agency fold. For many products that require refrigeration in transit, he would be forced to use truck at a rate of \$100 for a minimum 5,000-lb. Kummer said he seldom ships more than 70 lb. at a time, yet would have to pay the minimum charge.

A spokesman for a large Chicago firm said "There is no complete substitute for the Railway Express Agency service" because throughout the years the agency has been built into a coordinated organization serving more than 21,000 points, some very remote. He listed the following reasons why no other system could substitute for R. E. A.:

1. Parcel Post's size and weight registrations.
2. Uneconomic charges for truck, rail, or forwarder services which are usually predicated on a 100-lb. minimum or more.
3. Uneconomic charges for air freight when such premium transportation is not desirable.
4. Inability of all other modes of transportation to provide satisfactory transit time.
5. Present inability or disinclination of other media to carry all items and offer all services of R.E.A.

6. All shipments not proper for express service already have been diverted to other means.

7. Inadequacies caused by failure of other carriers to supply a complete door-to-door service.

Almost all respondents to the P.W. survey agreed that Railway Express was the most economical way of shipping less than 50 lb. In fact, at Motorola in Chicago, for example, the purchasing department instructs all suppliers to use the agency for shipments between 20-50 lb. Over that they

use truck or freight forwarder and for volume shipments, truckload or rail carload.

In many cases, service appeared to be as much or more of a concern than the increased cost in using other shipping methods. It was pointed out that few, if any, carriers offer the services of R.E.A. at such a low cost.

"I am deeply concerned about the possible foldup of the agency," commented an executive of the Belle Mfg. Co., Atlanta. "We ship the majority of our customer shipments by express, many to small towns, and would be greatly hampered without the express service."

Similar comments came from shippers in New York, Los Angeles, San Francisco, Dallas, Cleveland, etc. Many said they would turn to the package express service offered by such bus lines as Greyhound and Trailways. They said that this service from terminal to terminal is very good, the big problem being deliveries at both ends.

Greyhound, for one, has been expanding and promoting its package express service for the past several months—admittedly because of the Railway Express situation.

J. E. Wright, sales representative for Greyhound, told PURCHASING WEEK that there has been a tremendous pickup in this business as a result of the threatened extinction of the agency.

"We've been getting many calls from companies who are worried about Railway Express going under," he said, "and want to make sure they're not left in the lurch."

Wright insists that Greyhound's package express service could replace many phases of R.E.A. without a hitch. He said the line also is building up its pickup and delivery operations, already in full swing in many major cities.

Many shippers, however, ex-

pressed doubt that bus facilities would be adequate substitutes. Lack of tracing follow-through and insufficient pickup and delivery service were among the criticisms.

United Parcel Service might receive some of the small package overflow should the agency be abandoned. While not a direct competitor of Railway Express, U.P.S. covers 18 large metropolitan areas across the nation such as Connecticut, New Jersey, Ohio, Indiana, etc. It handles mainly small packages at rates competitive with Parcel Post but offers more extensive services such as automatic insurance, next day delivery, and similar extras.

A number of firms said they would make more use of air freight because some rates are on a par with R.E.A. and service to the point is better.

Good Air Freight Results

Motorola said it is currently flying certain electronic components to Chicago from the West Coast at a rate of about \$3 to \$4 per 100 lb. less than it can bring them in by Railway Express. "And we get next day delivery, compared with four or five days by Railway Express," a company spokesman said.

Non-profit shipping associations also were mentioned as another alternate transportation method. But, like freight forwarders, this shift posed the problem of insufficient delivery speed.

A final, and perhaps the most conclusive, thought on the situation was offered by J. A. Fisher, president of the Reading Railway System, headquartered in Philadelphia.

"I think that Railway Express will stay in business in one form or another," he told PURCHASING WEEK. "Its operations are too important. One possibility is that it may be taken over and combined with the operations of a large freight forwarder."

Purchasing Perspective

APRIL 6-12

(Continued from page 1)

Is it not now clear that technological advances are the principal payoff solution to the perennial cost-price squeeze and such dilemmas as again confront major industries in pending labor contract negotiations?

One company which thinks so is Monsanto Chemical, a leader in an industry that typifies the importance of technological advances in countering depressed prices and soaring costs.

According to Monsanto, its 1959 prices averaged 16% below pre-World War I—A period when labor averaged 15¢ an hour and a six-room home cost \$5,000 with lot. The company now pays 600% more in labor costs, 89% more for coal, 160% higher rail rates, 44% more for benzol, 180% for naphthalene, and so on through many other basic chemical materials.

But 35 years of scientific advancement make a difference. In 1925, Monsanto made contact sulfuric acid with a platinum catalyst which needed regeneration weekly and required costly plant shutdowns. Losses were eliminated with development of a vanadium catalyst which does not poison and gives higher yields. Thirty-five years ago vanillin came from cloves imported from Zanzibar; today it is synthesized from pulp mill wastes. Formerly a product of tea wastes imported from India, caffeine now is synthesized from a nitrogenous product extracted from gas and air. Nitric acid was produced by reacting sulfuric acid and nitrate of soda from Chile; today chemists pass ammonia over a catalyst under pressure, and presto!

Monsanto and other industrial leaders may lament that current prices in their industries are far from satisfactory. But they are banking on more such technologies to deliver both new and old products at still lower costs.

Figures on total impact of first quarter buying are popping up like fly balls at batting practice. Railroads forecast that 2nd quarter carloadings have embarked on a steep climb, heading up more than 12% over 1958 on major commodities. Commerce Department new order figures for February (when the current buying spree really began working up speed) last week showed a sturdy 5% gain.

Latest machine tool and order estimates appear on a strong upswing. Now orders for other types of industrial machinery and supplies have come in with a 9% gain to just a few index points below pre-recession highs. In another field, truck dealers are applauding increased sales activity which is outdistancing 1958 figures by 25-35%.

Distributor's Survey Takes Snap Judgment Out of Buying Decisions

Chicago—A Chicago distributor of laboratory supply and scientific equipment recently asked its customers what factors other than price influence their buying decisions.

The Chicago Apparatus Co. said its survey showed that buyers rate suppliers on many points, most of the time weighing the ratings and assigning higher values to two or three special problem areas.

A Check List

Here is the check list which Chicago Apparatus suggests as a means to "take snap judgment and the emotional approach" out of buying decisions:

- The professional competence of the salesman.
- Availability of salesmen for installation problems, operational training of equipment, and other aspects of post-sale service.
- Availability of technical experts to back up salesmen on special service problems.
- Delivery of top quality branded merchandise in good condition.
- Prompt settlement of damage claims.
- Availability of diverse stocks and ability to supply many different items from a single source.

- Prompt procurement of unusual, non-stocked items.
- An easy to read, well organized, factual catalog.
- Competent evaluation of new products.
- Clear replies to all written and telephoned inquiries.

Texas Considers Bill To Ban Steel Imports

Austin, Tex.—A bill before the Texas legislature would restrict the purchase of steel and other imported materials for state construction projects.

The measure (H.R. 885) proposes that state agencies be allowed to set up import bans. It provides that companies violating such curbs on imported construction materials would be banned from bidding on state contracts for three years.

Twelve states already have import bans and others, like Texas, are considering them. Sponsor of the Texas measure, Rep. R. H. Cory, complained that large quantities of steel are imported for Texas construction and asserted that sand and gravel, cement, and brick arrive in Texas as ship's ballast.

Forced to Guess on Steel Hikes, Buyers Vary

(Continued from page 1)

Olson of the Budd Contracting Corp., New York, said his company is marking up steel \$10 a ton "although we really don't expect any price hike to be that high." The markup is subject to later adjustments, but he added: "We're not taking any chances."

No one knows, not even David J. McDonald or U. S. Steel's Roger Blough, what will be the size and cost of the eventual wage settlement in the pending steel contract negotiations. Any estimates, no matter how well informed the source, are purely "blue sky" and rate strictly in the guess category.

But one thing is certain. Industrial steel buyers are not counting on any steel industry settlement which won't include an eventual price boost.

The situation has put many steel buyers such as George Johnson, vice president of a New York construction firm with nationwide projects—on the spot. Johnson said he is using a contract escalation clause with a top of \$5 a ton on reinforcing steel because "that's the way I'm getting the price now from my suppliers."

In Chicago, purchasing agent R. W. Scanlan of Great Lakes Dredge & Dock Co., says that so far his firm has been able to get promise of delivery on sheet steel piling before any price boost. But in talking with suppliers and fabricators. Scanlan said he thinks an increase of \$6 to \$7 a ton would be close on the target.

A spokesman Dreier Structural Steel Co. in New York said a flat \$5 to \$7 would be their guess

if forced to make a flat estimate instead of banking on an escalator clause.

In the Pittsburgh area, guesses on the expected price hike range from \$3 to \$8 a ton. The steel buyer for one of the country's biggest electrical equipment manufacturers hazards \$3 to \$5. A San Francisco firm, Guy F. Atkinson Co., hasn't established any figure to be used in estimating bids but expects it should be about \$5 a ton.

Of course, not all fabricators and contractors have been able to put even a highly flexible escalation clause in their contracts because of intense competition in bidding for work.

In the Western Pennsylvania area, for example, fabricators say competition is so tough that putting an escalator clause in a bid automatically means a lost job.

One fabricator said that Bethlehem has begun inserting a \$1 a ton escalation clause in its contracts but more as a "token" than a real effort to recover.

One New York fabricator complained that as of now "steel prices are as low as I've ever seen them" because the fabricated and erected job market is extremely depressed. "It's not strong enough for a price increase," he said, "because I'm getting 20% less on my jobs than I got two years ago."

Many buyers are taking advantage of this situation in New York and other cities by refusing escalation clauses and trying for fixed prices whenever they can.

"Fixed prices are getting much harder to come by but are still available in some products," one Cleveland contractor said, "because steel fabricators from whom we get most of our materials are not so jammed as the mills."

Purchasing Help Wanted At Burbank, California

Burbank, Calif.—This California city is setting up a purchasing department and is looking for an experienced P.A. to handle the job. The new post will pay \$8,700 to \$10,800 a year.

Civil Service specifications state that the city purchasing agents will function at department head level and be required to develop and administer a program of centralized purchasing and centralized control of warehousing and stores.

Basic qualifications require a college degree and five years experience but additional experience can be substituted for the educational requirement. Applicants have until May 15 to file with the Civil Service Department at the Burbank city hall.

Joint Economic Comm. To Hear Top Economists

Washington—The Joint Congressional Economic Committee opens its second round of hearings this week on inflation and the state of the American economy at mid-century.

The committee will hear top economists review long-term business growth trends and take a look at historical changes in statistical measurements for determining economic and price performance.

Price Experts Sure Product Tags Going Up Generally Across Board

(Continued from page 1)

that industrial wholesale prices will rise on average 1-2% this year. But within this group there will be broad swings for individual items.

Here is a sizeup of general product price trends as seen by the experts closest to the situation:

• **Chemicals and derivatives:** Industrial chemicals relatively stable; petrochemicals prices will be soft because of tremendous increase in productive capacity of last few years. Benzene uncertain because it stems from coke production. Heavy supplies of soybean oil used in many chemicals also a downward pressure.

Prepared paints depend upon steel because of container costs; paint materials are trending slightly down because of greater use of solvents; drugs and pharmaceutical prices may drop somewhat as a result of government court action charging price collusion.

• **Rubber and rubber products:** Prices are steady on the high side. U. S. efforts to capitalize on the Tibetan revolt by swinging natural rubber shipments away from Red China and Russia if successful would tend to drop world prices. Tires and tube prices practically unchanged as synthetics become even more important.

• **Textiles:** Piece goods will be up because of generally better tone of market and higher labor and production costs. Apparels indicate practically no change because of greater use of cheaper synthetic blends. The fall line of men's clothing already is out with no markups.

• **Hides and leather:** Showing remarkable strength, and may jump 5% by fall. Higher shoe prices regarded certain.

• **Metals:** Steel and metal products price increases will push up prices here. Nonferrous metals are strengthening now on basis of increased costs and expected steel rises. Plumbing and heating equipment probably will have only very slight rises because of excess plant capacity. Steel scrap may be cheaper.

• **Machinery and motive products:** This is another group that is directly dependent on steel prices. Together with metals,

these two groups comprise one-third the weight of the wholesale price index. A substantial increase in capital spending could drive up prices.

• **Non-metallic minerals:** Concrete, structural clay, and gypsum trending somewhat downwards on average. Glass probably will be an exception because of recent strike interruption.

• **Lumber and wood products:** Price changes here will depend on the size of housing and highway construction programs. Douglas fir apparently has reached the peak but Southern pine may keep going up somewhat.

• **Pulp and paper:** Probably a 1-2% increase because of greater utilization of paper products.

Federal Reserve Board experts are seriously concerned over the chances of a new round of inflation. They point out that market forces are now coming into greater play than they have been in recent years when, as they see it, "Administered" price increases accounted for a major part of the inflationary boom.

Now the so-called "market-sensitive" products that are mainly raw materials in the non-administered groupings are charging upwards—seven per cent in the last year.

Steel holds a major key to the general price movement, affecting as it does so many other products and metals. If a steel rise takes place following wage negotiations this spring, it could trigger a general increase in other industries so that they begin moving in tandem with the market-dominated goods.

As business picks up this spring, the experts assert, four factors will exert an upward lever on prices: 1. completion of inventory reduction in Europe and a similar turnaround as is now going on in U. S. inventory building; 2. the return of many industries now operating at 85 to 95% of capacity from a recession-year sluggishness—such as steel, aluminum, paper, copper and petroleum; 3. this in turn might stimulate greater outlays for capital plant and equipment spending and other corporate outlays, and 4. stepped up spending by consumers as they gain more confidence about the business future and their jobs.

Soft Coal Tags Down; Oil Cited

(Continued from page 1)
tion on coal shipments. They were expected to average about 45¢ a ton.

Appalachian Coals, Inc. in Cincinnati, main marketing source for many Southern and Midwestern producers, intimated that another price change was in works. Appalachian hiked the price Jan. 1 when the first part of the wage increase took effect, but informed sources now say a drop is likely.

This was backed up by reports that many companies in those areas were still living off stocks and that oil competition is beginning to make an impact.

The price cut in the East came when Consolidated Edison threatened to convert some power plants in this area from coal to residual oil. The utility had planned to cut back coal consumption from five million tons a year to three million.

Reduction Compromise

The coal industry, however, immediately sat down with Consolidated Edison and the railroads and compromised on a 25¢ a ton reduction on three million tons provided the utility purchases five million. The railroads then came up with a 50¢ a ton rate reduction based on the same formula, but this still is subject to action by the I.C.C.

Such price cuts have reportedly been worked out on purchases by the Long Island Lighting Co., the Jersey Central Power & Light Co., Public Service Gas & Electric Co., and utilities in Philadelphia, Atlantic City, Baltimore, and Delaware cities.

J. E. Hunt, purchasing manager for Public Service Gas & Electric, told PURCHASING WEEK: "I'm paying less for coal now than I was last year."

The coal industry says its ability to hold the price line or even cut can be traced to its \$1.5 billion investment in mechanization over the last ten years.

Government Distributing "Procurement Handbook"

Washington—The government is distributing to its purchasing officers a valuable new "primer" detailing efficient procurement practices and the functions of the federal P.A.

The "Procurement Handbook" was drawn up by the General Services Administration, central government buying agency, and is the first such manual distributed on a government-wide basis. It ranges over the whole scope of purchasing from buying to quality control to stockpiling and supply.

Designed to strengthen and coordinate federal buying systems, the handbook is written in a clear and readable style. Take one example: ("Unrouted shipments are as driftwood upon the sea. Their movements are erratic and time in transit uncertain.")

The manual impresses upon federal procurement officers the need for exercising "ingenuity, skill, and judgment in anticipating and providing for the various situations which may develop in the supply operations of his agency."



INVENTORY buildup gradually fills industry's warehouses and other storage points. Steel sheets (above) are among hottest demand items.

P.W. Survey Shows Inventories Up, Rise Expected to Continue

Better Business, Rising Production, Rival Hedge-Buying in 2nd Quarter Inventory Plans

(Continued from page 1)

major share but by no means all to strike-induced protection needs. Only 3% saw a decrease in buying activity, and 56% said they would maintain a steady pace dictated by regular production requirements.

• **Comparison with inventory levels of three months ago?** A total of 58% said inventories now were higher. The March inventories for 33% only equaled January levels, but many in that group said they had participated in hedge buying while meeting increasing current production needs.

• **Up from recession lows?** Substantial comebacks were noted by 71%—with most inventories up 15 to 35% depending to some degree on the amount of hedge-buying. Nineteen per cent indicated no appreciable change; less than 10% were lower. Some increases ranged up to 300% with strong showings in the 40, 50, and 60% brackets by durable goods firms participating heavily in steel buying.

Just released Department of Commerce estimates of manufacturers' inventory, sales, and new order figures for February give strong weight to the steel hedge-buying influence.

With steel the star performer in all counts, inventories advanced by a seasonally adjusted total of \$300 million for the second consecutive month—with most of the boost in durable goods. New orders, which had showed only a relatively modest advance in January, leaped a whopping \$1.3 billion with all but \$300 million in durables. After a stand-off in January, manufacturers' sales also made a substantial advance of \$400 million.

With two thirds of the P.A.'s queried admitting to varying amounts of hedge-buying, virtually all who did so listed steel and steel products. Copper was mentioned by only 5%, aluminum and rubber by 6%. Among the specialty products mentioned were: fractional horsepower motors, electric motor parts, roller and ball bearings, plastics, oils and fish, cotton and burlap, paper, lead wire, magnet wire, metal containers, forgings, pig-iron, steel scrap, drugs and chemicals, and various types of steel wire and tubes, and copper wire.

Most hedge buyers said they were aiming for an advance supply of 60 to 90 days—with 75% listing goals in that range. But others are stocking up far beyond that—far into four, five, and six months categories.

A General Electric spokesman said the firm's scores of plants throughout the country were laying in supplies ranging from two to ten weeks' supply, with about six to eight weeks over normal in steel.

A Midwest aluminum houseware firm set 120 days as its target for steel and copper. A writing instruments firm said come June, it expected to have enough steel on hand to continue making pens and pencils throughout the rest of 1959.

As to what specifically motivated P.A.'s to engage in hedge-buying the biggest segment (50%) said: "With business getting better we wanted to insure supplies for our third quarter."

Those who did it because they just decided to "play it smart" totaled only 13%. A total of 12% started because "Everybody else did and I had to protect myself."

The remainder gave varying reasons such as:

- Requested to do so by vendors.
- Beat possible price increases.
- Summer season is top production period of the year.
- Doubt about the Berlin situation.

One hard-fisted P.A. said he was motivated to a great extent by his desire to help "take pressure off the steel industry and give producers courage in their negotiations with labor."

2 Freight Forwarders Lower Piggyback Rates

New York — Two major freight forwarders have put into effect "sharply reduced" volume rates on forwarder shipments moved piggyback between New York and Chicago.

United States Freight Co. and Lifschultz Fast Freight made the new charges effective March 20 under volume rate tariffs, pending an I.C.C. decision expected in July.

Originally filed last July, the new tariffs were suspended by the commission at the request of opposing truckers. Although still under "investigation," the seven-month suspension period expired March 19, permitting the forwarders to put the new rates into effect.

Morris Forgash, president of U. S. Freight, said these new charges also provide a broadening of service that "passes on to the general public the benefits of improved technology."

Also commenting on the rate reductions, Sidney B. Lifschultz, president of Lifschultz Fast Freight, said the cut provides savings to shippers of full trailer loads between the two cities.

Price Changes for P.A.'s

Casein — Improved demand has caused Argentine casein quotes to rise ¼¢ a lb. New carlot price is 18 to 18½¢ a lb.

Mercury — Tags of quicksilver are up again as the supply remains tight. A \$4 a flask rise puts the 76-lb. flask at \$233.

Lumber — Douglas fir lumber dipped \$2 a thous. sq. ft. last week. Green 2 x 4's are now selling at \$72 a thous. sq. ft. Declining orders plus higher production is reported responsible.

Geranium — Bourbon geranium oil is up 75¢ a lb., and is now quoted at \$20 to \$21 a lb. Algerian geranium oil is up 50¢ a lb. to the basis of \$17.50 to \$20 a lb.

Acetophenetidin — A 2¢ a lb. price boost puts acetophenetidin U.S.P. at \$1.24 a lb. in 200-lb. drums. The 100-lb. drum is now quoted at \$1.26 a lb.

Sodium Hydride — Callery Chemical Co. has announced reductions on sodium hydride. New lower prices are: 1,000 lb. or

Beryllium Forge Method Invented

(Continued from page 1)
die process that eliminates this brittle behavior. Shapes produced need little machining and have ductility comparable to the strong aluminum alloys. Other properties remain unchanged. Elsewhere these developments made news:

Pittsburgh — A basic reference covering aluminum electrical conductors is being put together by the Aluminum Corp. of America. The first section will be released later this month. Other sections will be made available during the year.

The complete reference will be based on results of research projects conducted by Alcoa and others. Sections will cover overhead conductors and their mechanical and electrical properties, construction practices, sag-tension computation.

Akron — New flexible plastic material can be magnetized. Made by B. F. Goodrich Co. from its Koroseal vinyl, the material contains a "powder sensitive to magnetism." Once magnetized, the effect is permanent. Present production is going into seals for refrigerator doors. The magnetized plastic holds the door shut, eliminating a latch. Continuous lengths in a wide variety of shapes and sizes also can be produced.

New York — General Electric Co. has launched an "all-out" drive to push use of vacuum tubes in critical electronic circuitry. G.E.'s effort is part of a joint campaign with tube manufacturers to regain some of the ground lost to transistors and other semiconductor devices. Heavy emphasis, via special publications, advertising, and sales promotions, will be placed on vacuum tube reliability and capability.

more 95¢ a lb., 100-999 lb. \$1.20 a lb., 50-99 lb. \$1.70 a lb., less than 50 lb. \$2.20 a lb. All prices are f.o.b. Lawrence, Kan.

Lead Chemicals — Weaker lead prices have caused lead oxides to dip. Carlot tags for dry red lead and litharge are down a ½¢ a lb. New quotes are 13¼ and 12¾¢ a lb. respectively. Orange mineral is also down a ½¢ a lb. to 14 3/5¢ a lb.

Methanol — Boosts of 4¢ a gal. put carlot methanol tags at 30¢ a gal. Less carlot lots have a premium of up to 3¢ a gal.

Office Machines — Addressograph-Multigraph Corp. will boost office machine prices some 5% on April 15. Rising costs are reported responsible. Other firms are reportedly watching the situation.

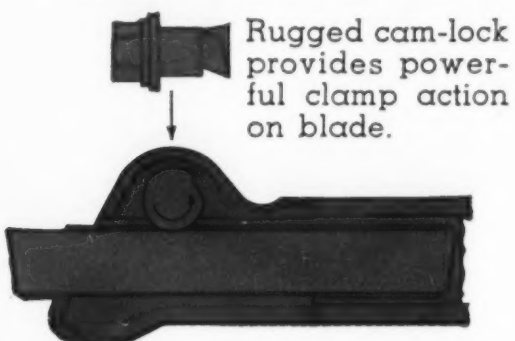
Textiles — Raeford Worsted Corp. has boosted Dacron worsted blend tropical fabrics by 20 to 22½¢ a yd. Anticipated demand boosts plus low inventories are reported responsible.

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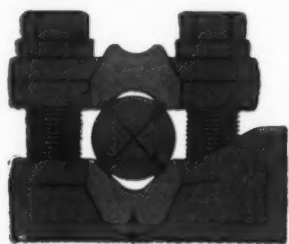
WILLIAMS CUTTING-OFF AND SIDE TOOL HOLDERS



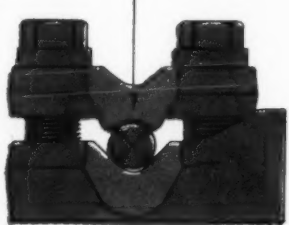
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